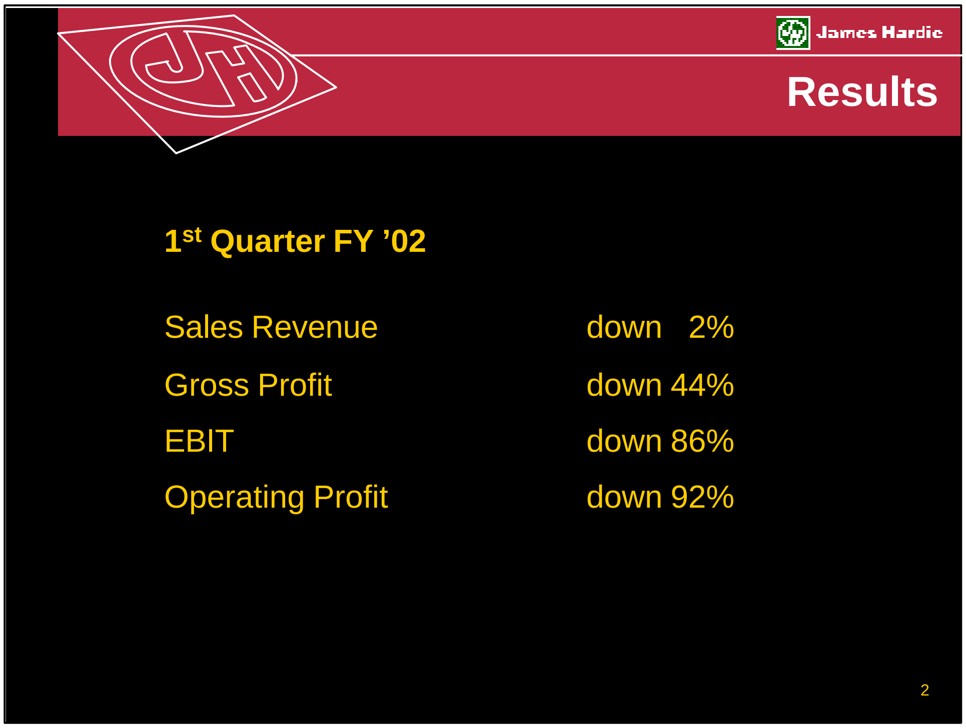
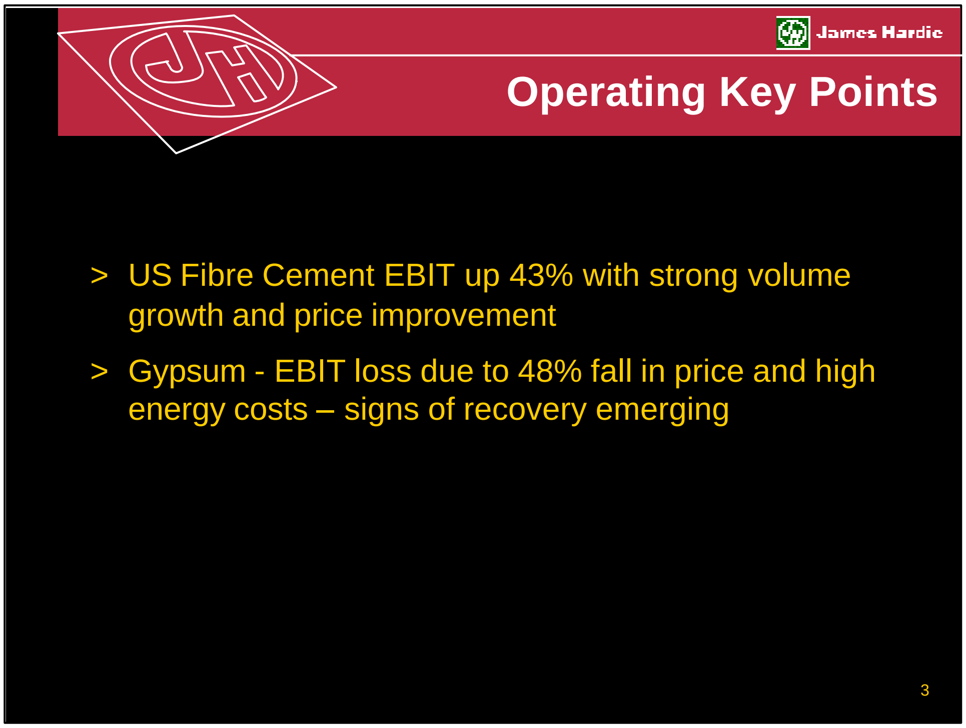
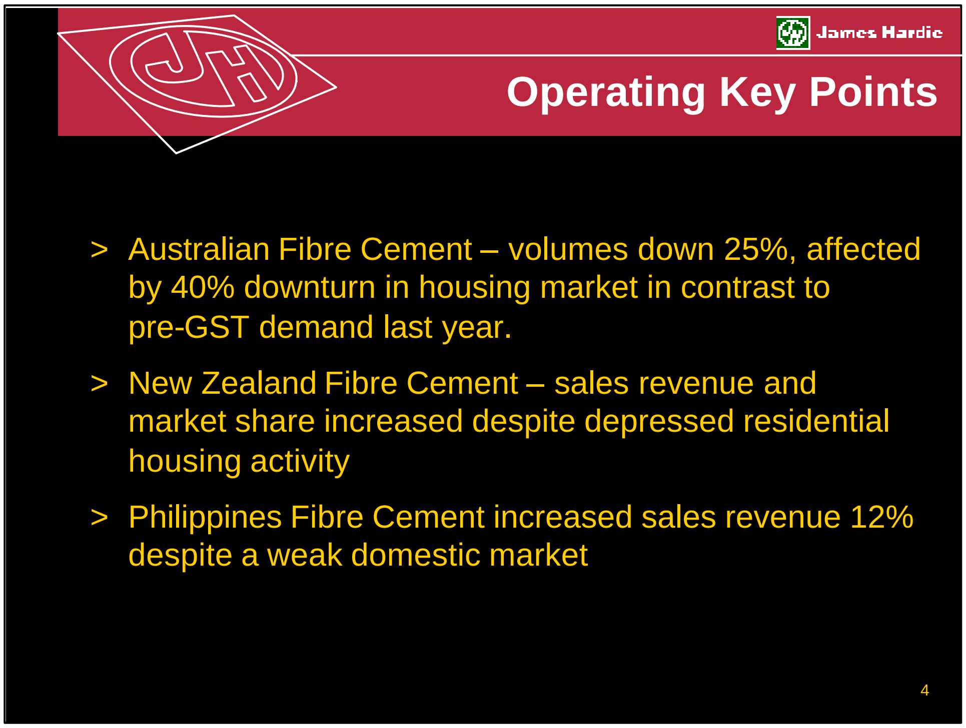
- Good afternoon and welcome to James Hardie's Q1 results presentation. Welcome to those in the auditorium, those on teleconference and those who are participating via webcast.



- Our first quarter results are disappointing and demonstrate the significant impact of the gypsum downturn in North America.

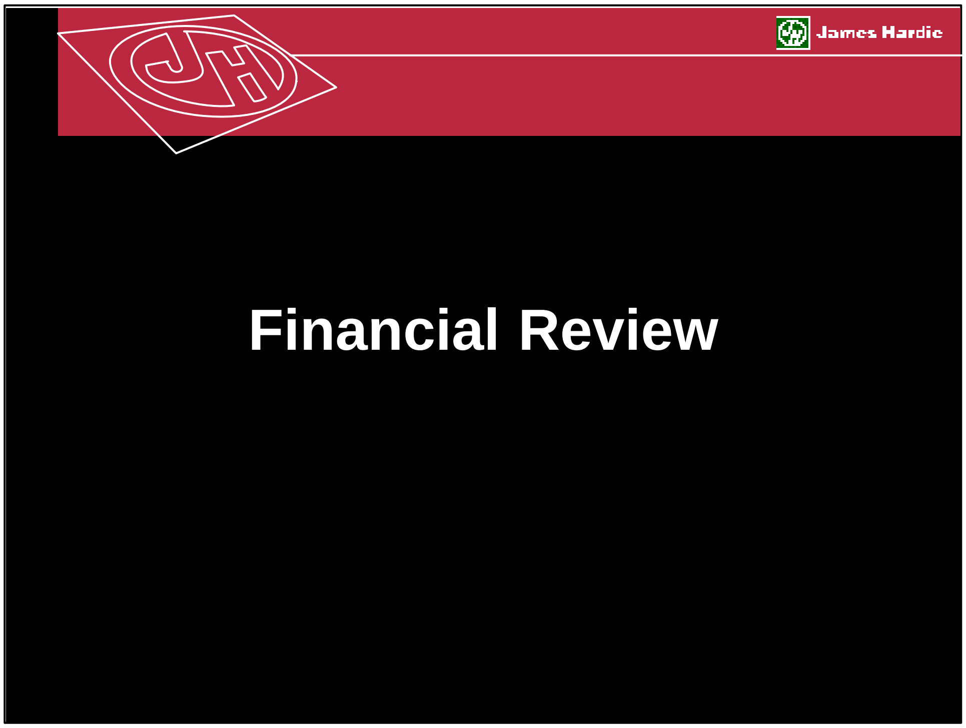


- Somewhat offsetting that, we have showed continued strong improvement in our core fibre cement business producing a record quarterly EBIT for both the global fibre cement business and for the USA. But this improvement was insufficient to offset the steep price declines that drove our gypsum businesses into losses in the quarter.



- In Q1 our other markets were also not particularly strong. Australia had very tough comparables with the pre-GST, pre-Olympic housing cycle this time last year. All three factors have essentially reversed and we do believe that the problems in the insurance industry caused builders to have difficulty getting starts around the country. It seems to have loosened up a little bit now. And the Philippines were also relatively weak.

- Our new growth businesses in Chile and Pipes in North America have made good progress this quarter. Windows has made a small profit.



- So now looking at a review of the overall numbers. Phil Morley our CFO couldn't join us today from California, he apologises.

James Hardie

Income Statement

A$ Million	Q1 '02	Q1 '01	% Change
Sales Revenue	414.6	423.6	(2)
Gross Profit	81.0	143.3	(44)
SG&A	71.4	75.1	(5)
EBIT	9.6	68.2	(86)
Interest Expense	11.9	5.3	125
Income Tax	(5.7)	20.6	(128)
Operating Profit	3.4	42.3	(92)

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- The overall numbers for Quarter 1 are shown here. The next slides break this performance down by business and so I will move to those.

James Hardie

Segment Sales

A$ Million	Q1 '02	Q1 '01	% Change
US Fibre Cement	216.5	159.7	36
US Gypsum	106.5	146.7	(27)
Asia Pacific Fibre Cement	71.2	86.8	(18)
Other	20.4	30.4	(33)
Total	414.6	423.6	(2)

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- We can see here clearly the effect of the gypsum price decline taking revenues down by 27%, while overall fibre cement revenues grew by 11%.

James Hardie

Segment EBIT

A$ Million	Q1 '02	Q1 '01	% Change
US Fibre Cement	43.7	30.6	43
US Gypsum	(16.7)	44.1	(138)
Asia Pacific Fibre Cement	6.4	14.2	(55)
R & D	(5.1)	(1.8)	(183)
Other	(4.3)	(0.1)	-
Total	24.0	87.0	(72)

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- Looking at EBIT now, we can see that a $61m decline in gypsum masked the improvement in fibre cement, which again was positive world-wide and very strong in America.
- We also continued to invest for growth and you can see that in the Other section a small EBIT loss was made in Chile and in Pipes, and you can also see continued strong investment in global R&D.

James Hardie

Corporate Costs

A$ Million	Q1 '02	Q1 '01	% Change
Corporate Office	(14.4)	(12.8)	(13)
Asbestos	-	(6.0)	-
Total	(14.4)	(18.8)	23

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- It is good to see corporate costs declining by 23%. Despite this decline it could have fallen further but for some significant impacts. We absorbed a $3.1m charge in the corporate office as a result of share price appreciation in employee shadow share plans. This has previously been reported in the business units but leaving it in the business units would have distorted results. So, because of the significant share price increase it was extracted from this period and the prior comparable period and placed into corporate costs.
- In addition, the quarter included $1.8m of costs relating to the restructuring which we announced in July. So in total, we are trending quite well towards about $8m per quarter, which we have flagged as a target quarterly corporate cost figure going forward.

James Hardie

Interest Expense

A$ Million	Q1 '02	Q1 '01	% Change
Interest Expense	11.9	5.3	(125)

Average net borrowings increased by $405.1m (102%)

Average interest rates decreased by 40 basis points

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- Our interest charge went up quite significantly as a result of increased debt, particularly related to the Medical Research and Compensation Foundation created in February.

James Hardie

EBITDA

A$ Million	Q1 '02	Q1 '01	% Change
US Fibre Cement	52.5	37.0	42
US Gypsum	(8.8)	50.5	(117)
Asia Pacific Fibre Cement	10.7	18.0	(41)
Other	(3.7)	0.6	-
R & D	(5.1)	(1.8)	-
Corporate	(14.2)	(18.0)	12
Total	31.4	86.3	(63)

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- We provide EBITDA as a proxy for cash flow. This demonstrates quite strong performance from our fibre cement businesses, with gypsum moving to be slightly cash negative in the quarter.

Capital Expenditure

James Hardie

A$ Million	Capital Expenditure Q1 '02	Capital Expenditure Q1 '01	Depreciation Q1 '02	Depreciation Q1 '01
US Fibre Cement	42.0	50.4	8.8	6.4
US Gypsum	1.0	2.4	7.9	6.4
Asia Pacific Fibre Cement	3.8	2.0	4.3	3.8
Other	4.5	1.6	0.6	0.7
Corporate	-	0.2	0.2	0.8
Total	51.3	56.6	21.8	18.1

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- We continue to invest heavily for growth of our fibre cement business. We talked previously about having a target for our 'stay in business' capital expenditure to be quite low, well below half depreciation. This trend is continuing. In the USA we spent significant sums on Peru, Waxahachi and XLD in Cleburne – all for fibre cement growth. In gypsum we have very low levels of capital expenditure and this is expected to be the position going forward, as the business has modern, newly invested plants. In Asia-Pacific there was investment for growth with the pipes expansion and with new lowdensity products now being produced in New Zealand. In the Other segment there was also investment for growth in terms of US Pipes and Chile.
- So our underlying or stay-in-business capex is at very low levels and nearly all the capital expenditure you see is designed for strong growth in the future.

Key Ratios

	Q1 '02	FY '01	FY '00	FY '99
EPS before Abnormals	0.8c	22.5c	37.0c	23.1c
Return on Shareholders Funds	2.4%	14.7%	24.3%	14.6%
Return on Capital Employed	2.4%	9.3%	21.6%	12.9%
EBIT/Sales	2.3%	9.2%	16.7%	11.7%
Gearing	61.4%*	55.9%	36.5%	49.5%
Net Interest Cover	0.8x	6.0x	8.4x	6.5x

Excluding abnormals *47.3% after A$200 million placement

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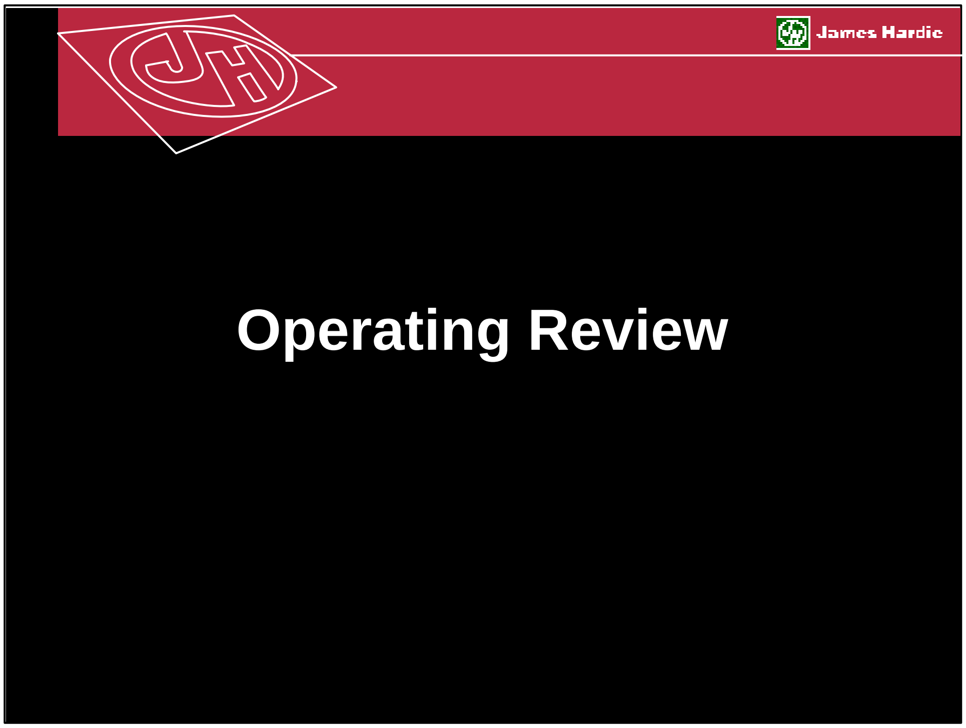
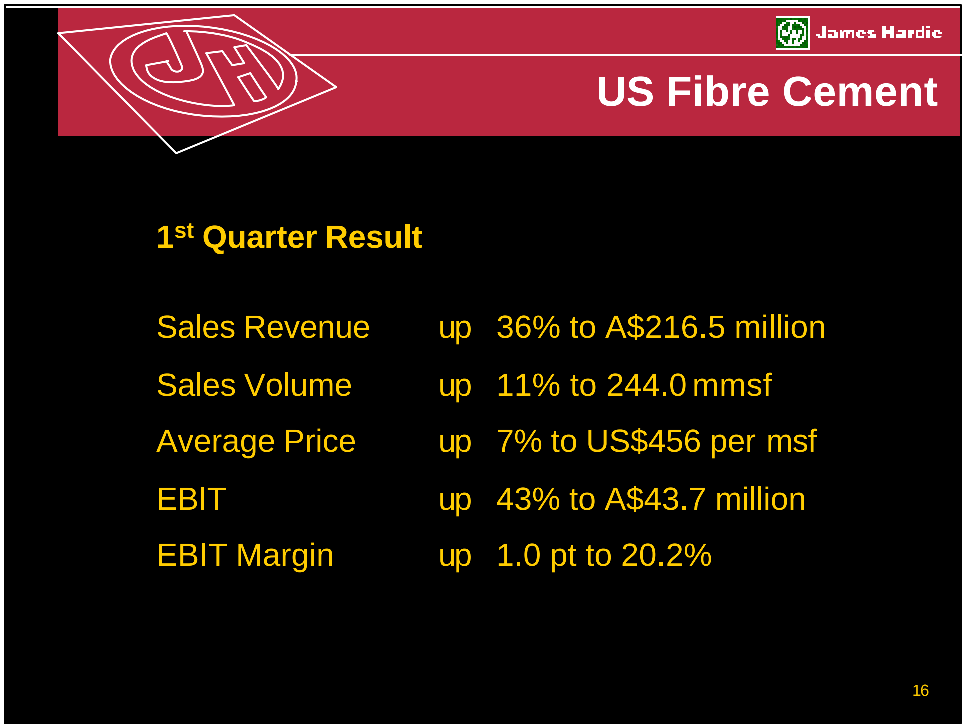
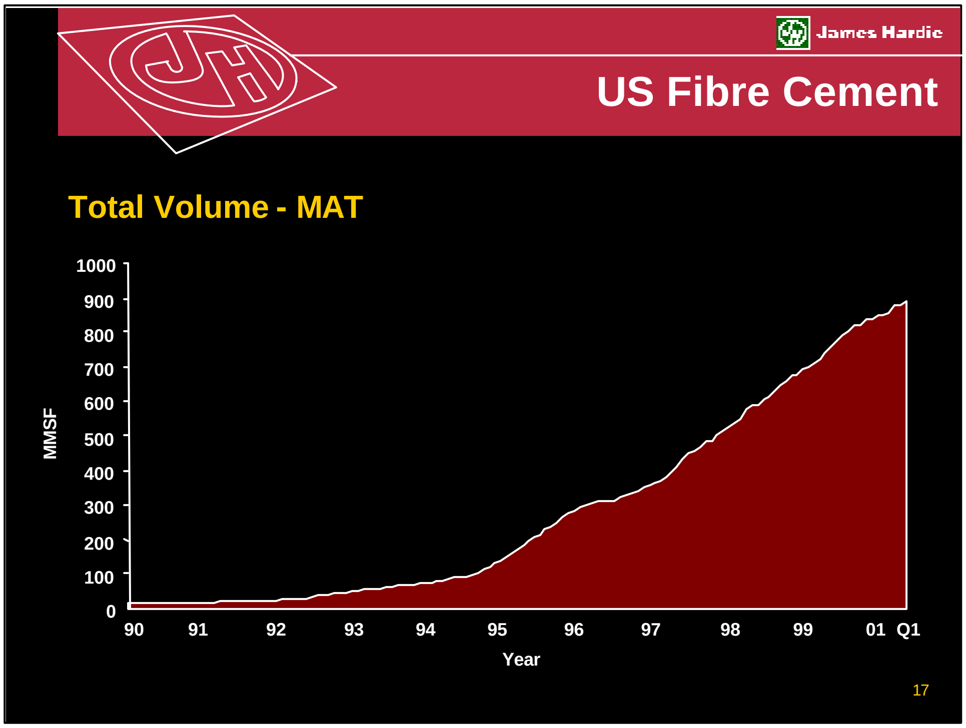
- In terms of key ratios, this quarter does not measure up very well and it is contrasted with full year figures. The $200m placement from July has reduced gearing down significantly to 47%. We expect all the key ratios to improve strongly over the year.



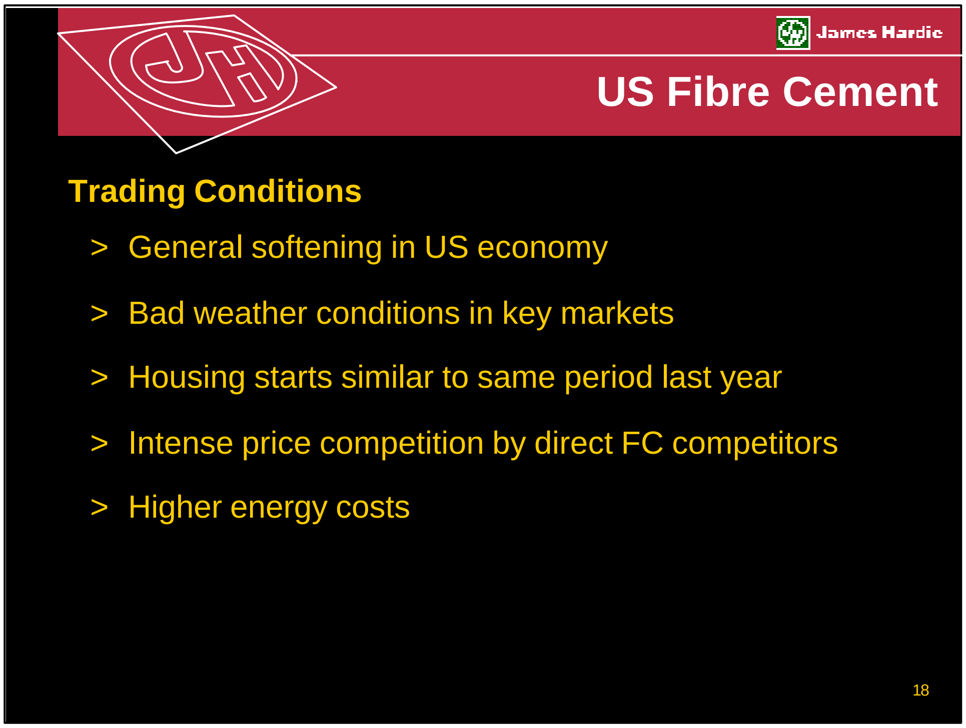
- I will now run through the operations by business unit.



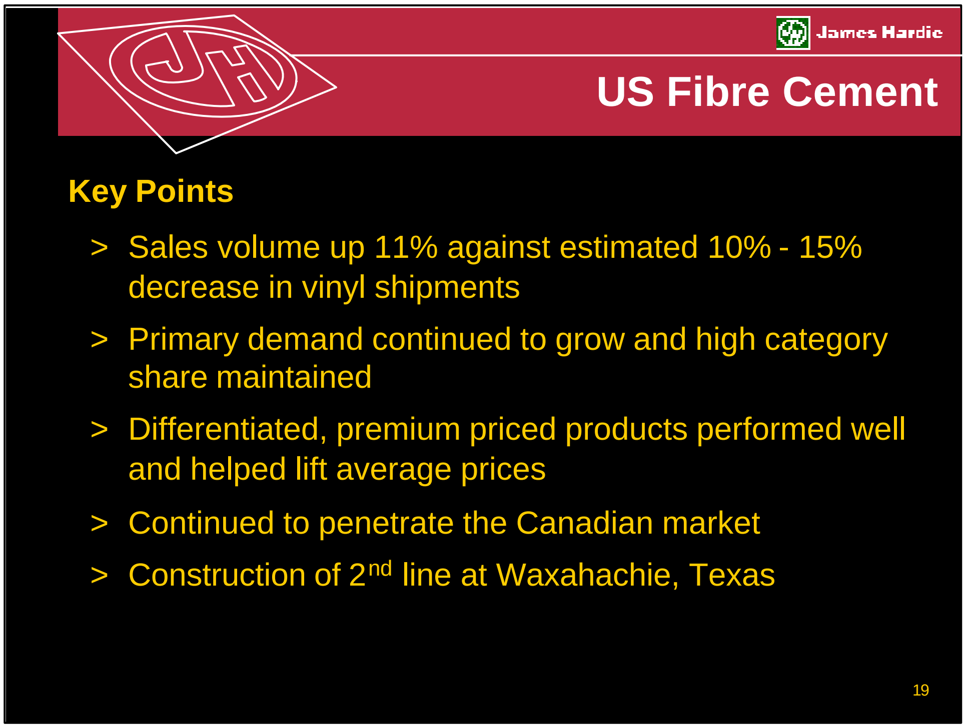
- Looking at US fibre cement, it really was a strong result. All the key indicators were well up and the margin continued to improve.



- The moving annual total sales volume chart demonstrates that continuing growth trend. And this was achieved in markets which weren't especially favourable for us.

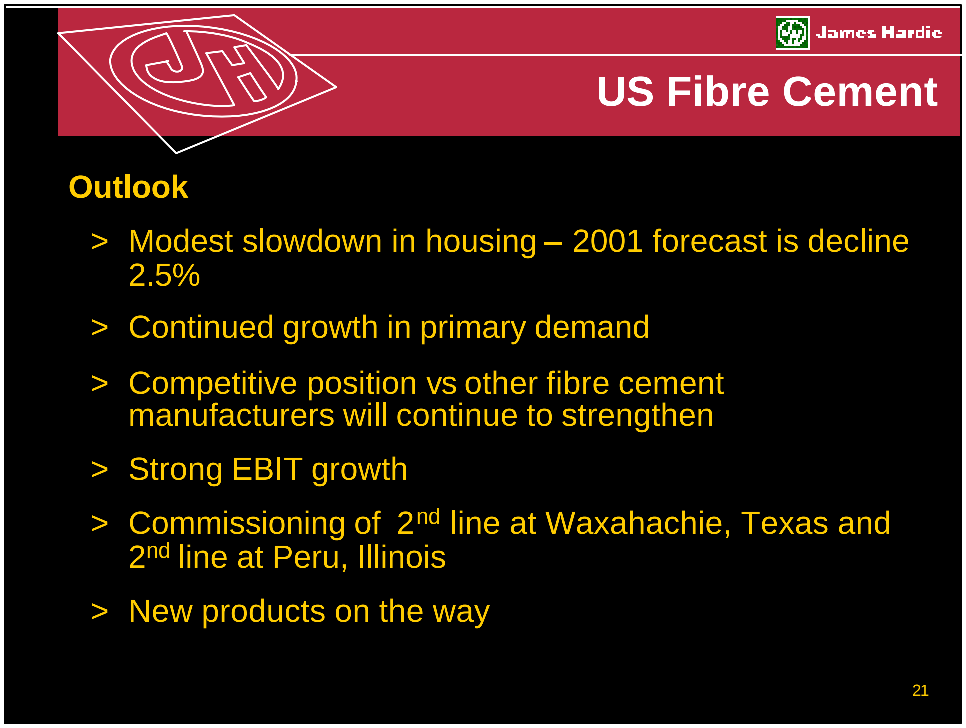


- The US economy has softened somewhat. New housing held up well, better than we had planned. But we believe that the repair and remodel sector slowed, as evidenced by the big box stores such as Home Depot and Lowes showing much slower growth, as well as the trends in the vinyl siding business which I will talk about later.
- This would have had some modest impact on our backer growth as well, as it mainly goes out through the big box stores.

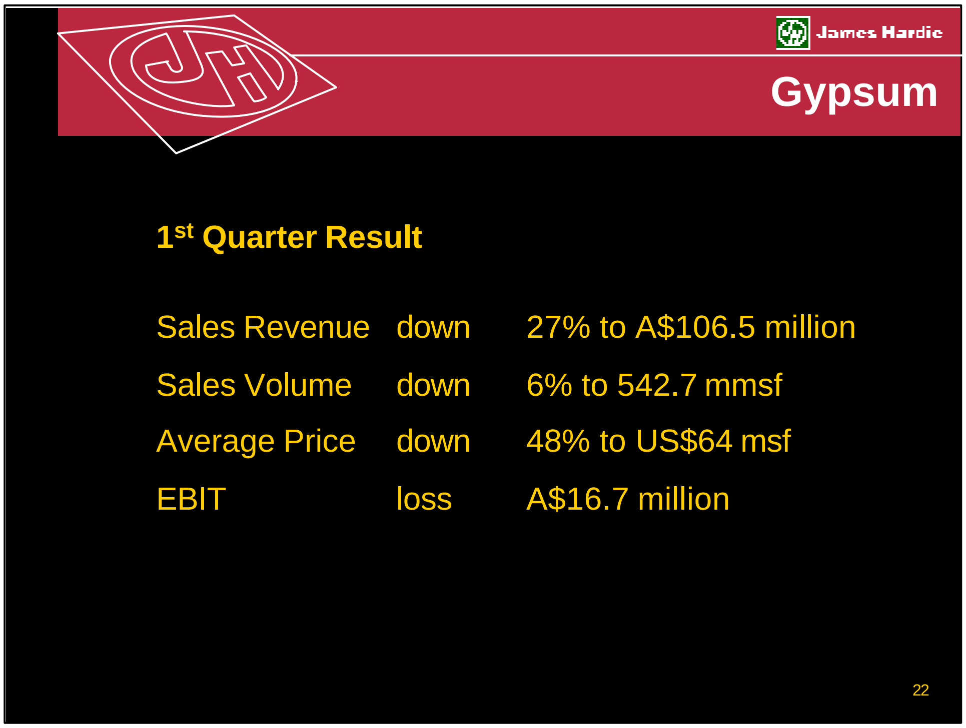


- So the key points for our business were that sales volume was up strongly, 11% against an estimated 10-15% decrease in vinyl shipments; we continued to grow primary demand, our differentiated products continued to perform well and help lift our average selling prices; we have continued growth into Canada and the construction of the second line at Waxahachi, Texas is complete. Our competitors have continued to struggle and we see vinyl, in particular, as losing ground. This is due to the slower R&R sector and our continued push against it in new construction. Waxahachi Line 2 and the XLD plant in Cleburne are now in production and are making saleable product.

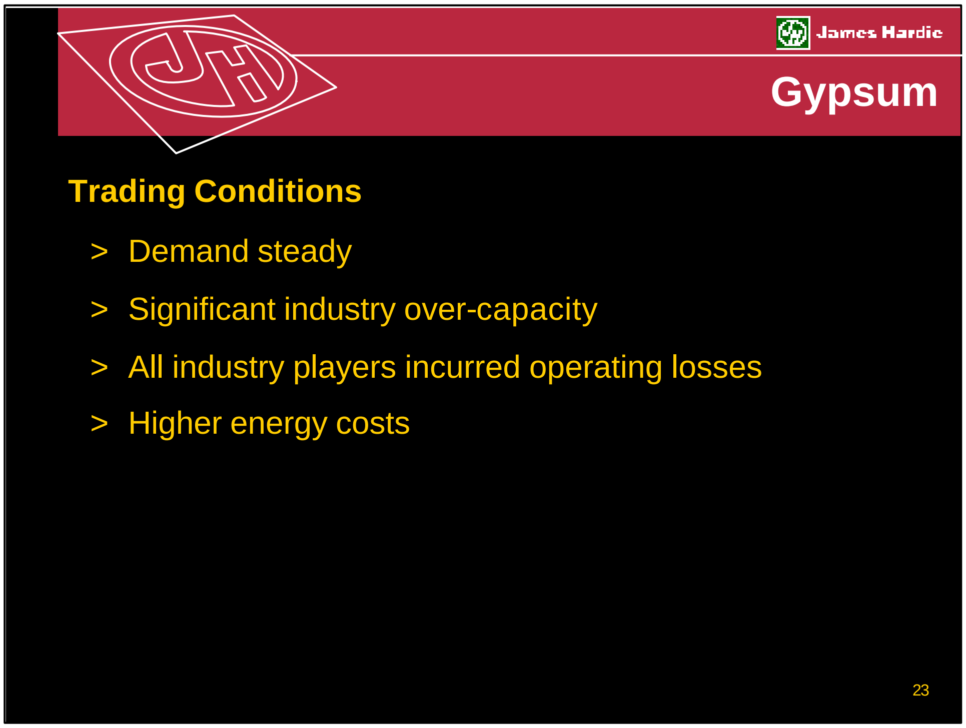
- So with that sort of outcome our strategy remains basically the same as it has for several years now. We are targeting growth even more strongly than we have in the past with our new emerging technologies and with pipes and XLD.



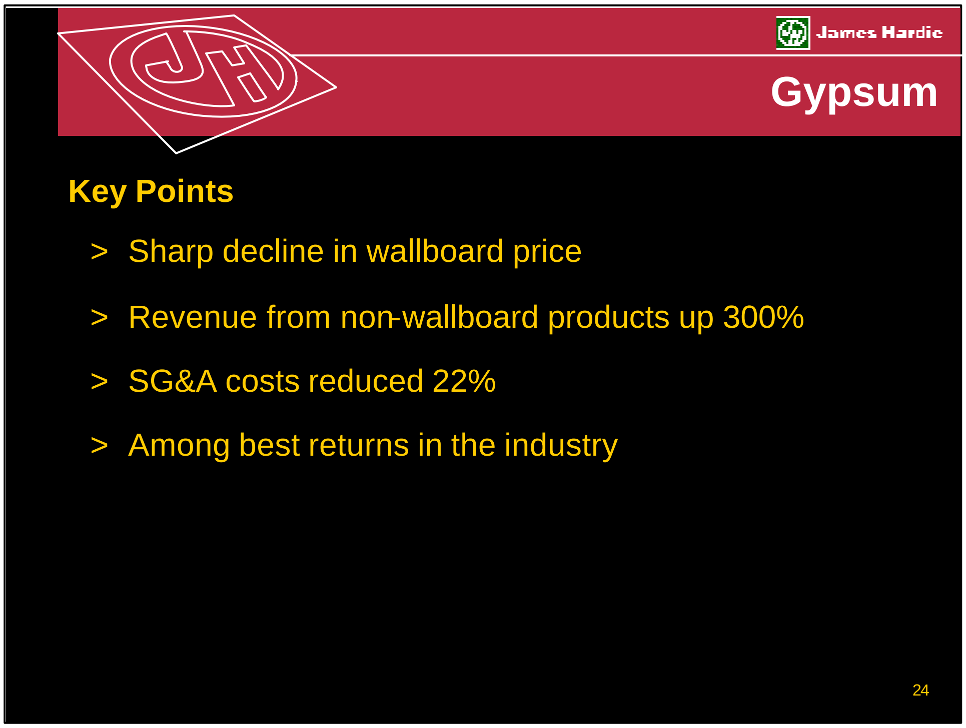
- In terms of the outlook, a modest slowdown in housing is forecast but the industry is still strong. Stocks are low, interest rates are low and builders have large backlogs. So through the calendar year we don't really see there being much of a slowdown. Although it is difficult to read the strength of the overall US economy.
- We are looking for further strong EBIT growth over the full year. Competitors are not making any progress against us. Neither Cemplank nor Certainteed seem to be able to make any significant headway. We have further new products that will be launched over the course of the year as well.



- Gypsum is not really a very pretty picture as I mentioned earlier. $61m EBIT decline quarter on quarter. We do hope that we are now off bottom. There are some encouraging signs. We don't want to get too excited yet. We really need to put the runs on the board before we tell you we have turned the corner. But there are some positive signs.



- The trading conditions during the quarter were good. The Gypsum Association figures show the market held up through June. But the underlying industry dynamics are still very challenging. There is still excess capacity. There is still high cost plants that need to close and all players through the quarter were in losses. Gas prices also were high compared with the prior period during this quarter.



- Obviously the key impact through the period was the very sharp decline in wallboard price – 48% off the prior comparable period. Our prices declined to $64 per msf average through the quarter. Other parts of our business though were driven strongly for improvement. Our non-wallboard business, that is plasters and our joint compounds business grew by 300%. We continued to drive costs down strongly and we believe that we performed well in the upper echelons of the industry during the quarter.
- There were some signs of industry recovery towards the end of the quarter. Our prices were $62 per msf in the month of June, so that was certainly a low point for us. Following the June-July price increases our July prices lifted by $8 to average $70 per msf through the month. Our costs continued to come down. So there were some positive signs at the end of the quarter and into July.
- We have previously announced the sale agreement for the surplus Las Vegas property, and that continues.

James Hardie

Gypsum

Key Points

> Signs of industry recovery at quarter end

- industry capacity reduced
  - BPB/Celotex announced closure of Ohio plant
  - Georgia Pacific announced reduction of around 45% of its capacity
- price increase implemented June - July

> Agreement signed to sell Las Vegas property for around $50 million

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- There were some signs of industry recovery towards the end of the quarter. Our prices were $62 per msf in the month of June, so that was certainly a low point for us. Following the June-July price increases our July prices lifted by $8 to average $70 per msf through the month. Our costs continued to come down. So there were some positive signs at the end of the quarter and into July.
- We have previously announced the sale agreement for the surplus Las Vegas property, and that continues.

- So our strategy continues in place as it has done for several years. We believe that the strategy will work for James Hardie and will produce a gypsum business that will have performance among the best in the industry in terms of return on investment.

James Hardie

Gypsum

Outlook

> Demand holding up

> Encouraging signs of recovery in industry conditions

- June price increase achieved
- further price increase by all major players
- JH close to breakeven in July
- energy prices trending down

> Growth in demand for non-wallboard products

> Industry best returns targeted

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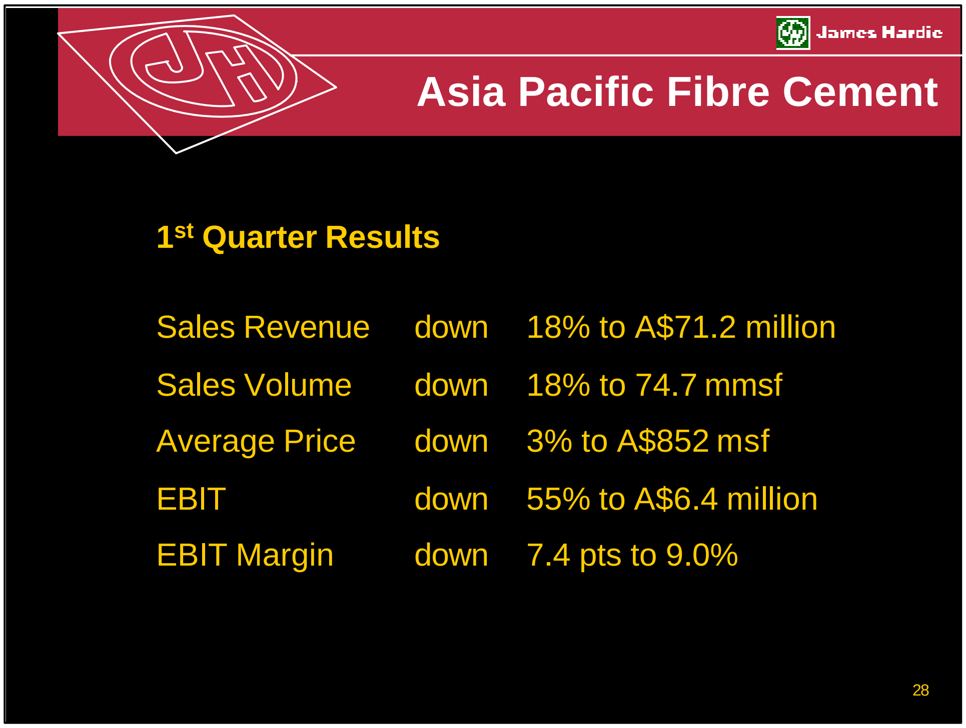
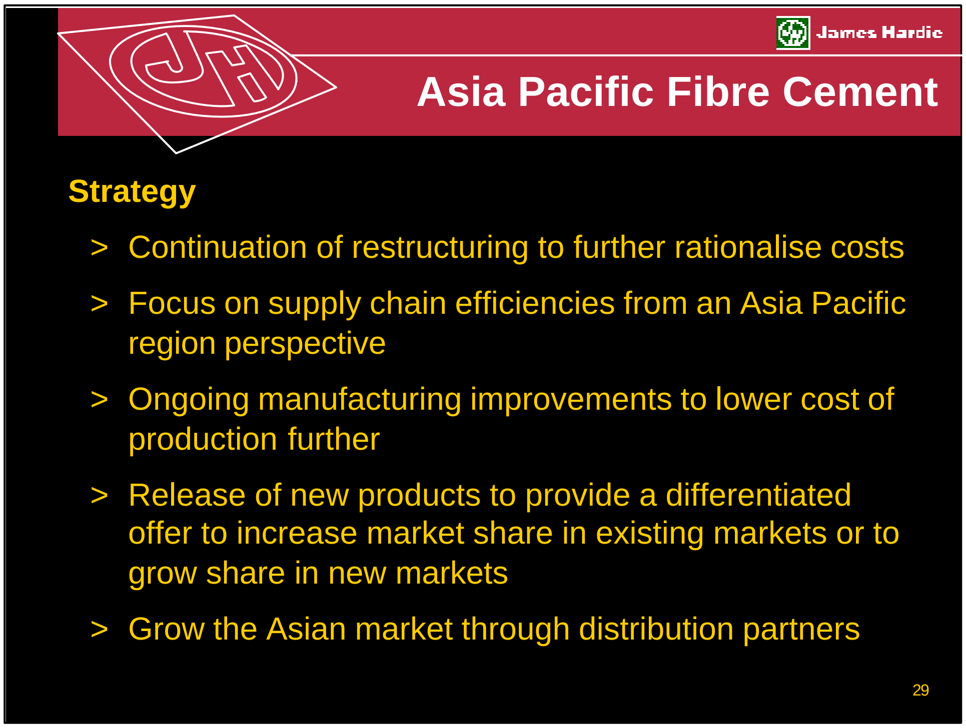
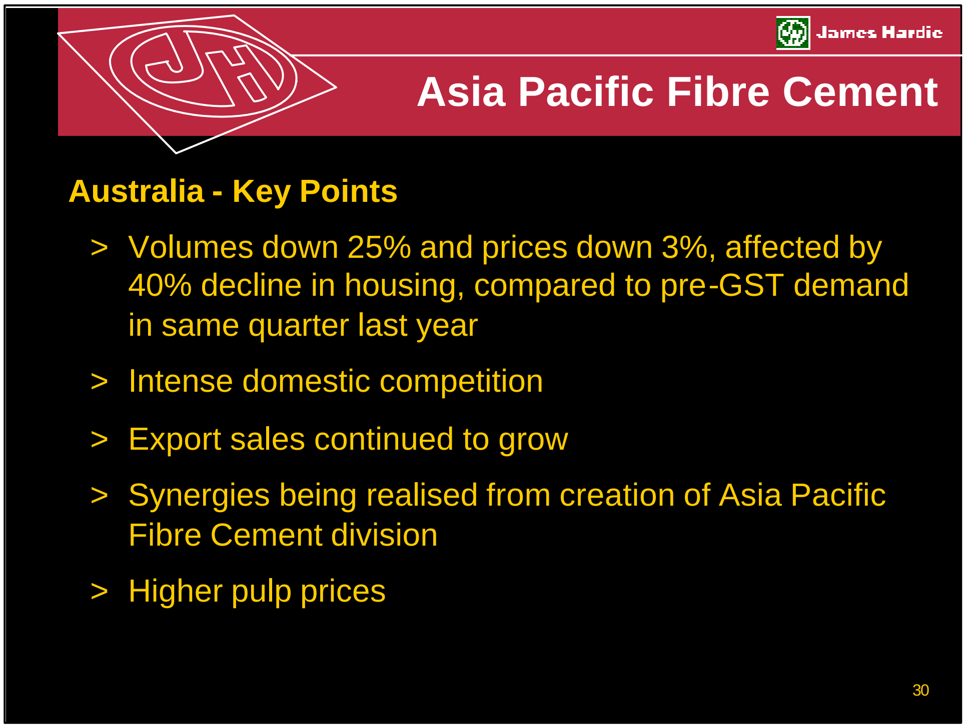
- Well Q2 does look a little more encouraging. Housing as we mentioned earlier is continuing to hold up. We were around breakeven in July and have further reduced costs since that time. Gas prices have come down. Around the 13th August, so today in the United States, I guess tomorrow in reality, USG is supposed to increase its prices again and we see other producers following those increases. We have an increase announced for September 1. We are very busy in our plants today with improving volumes and prices, and industry best returns remain our target for our gypsum business.
- Our sale process remains on track. The improving industry conditions do create a more positive environment in which to make that sale and there are good prospects for a future sale that will create shareholder value.



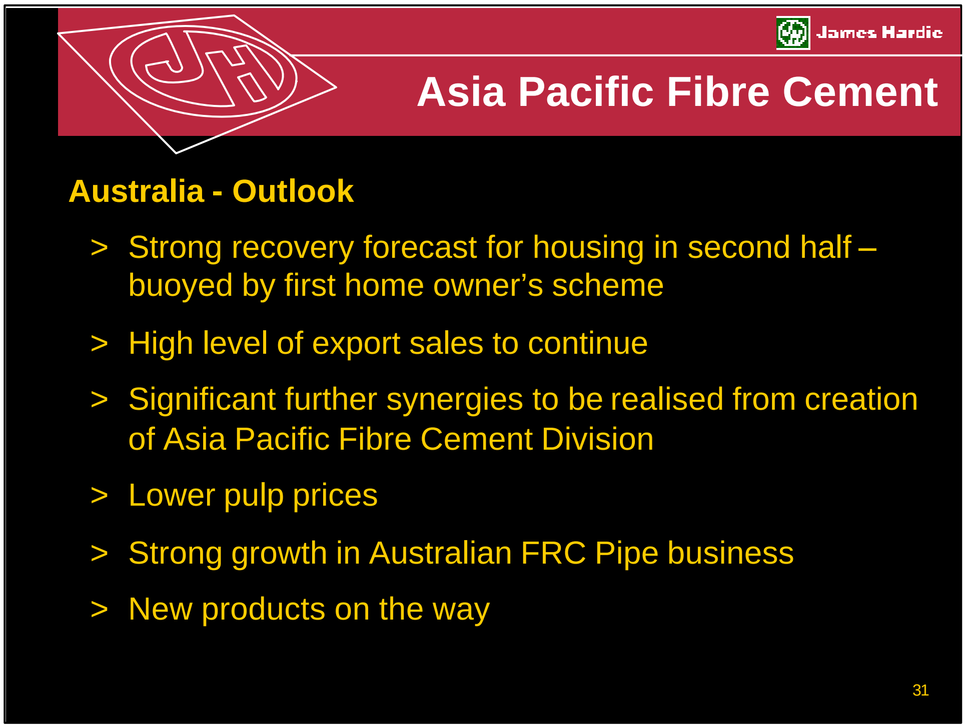
- Turning to our Asia-Pacific business. This slide blends our new Asia-Pacific business of Australia, New Zealand and the Philippines. All the key indicators were down, primarily driven by a peak to trough comparison in our Australian business.



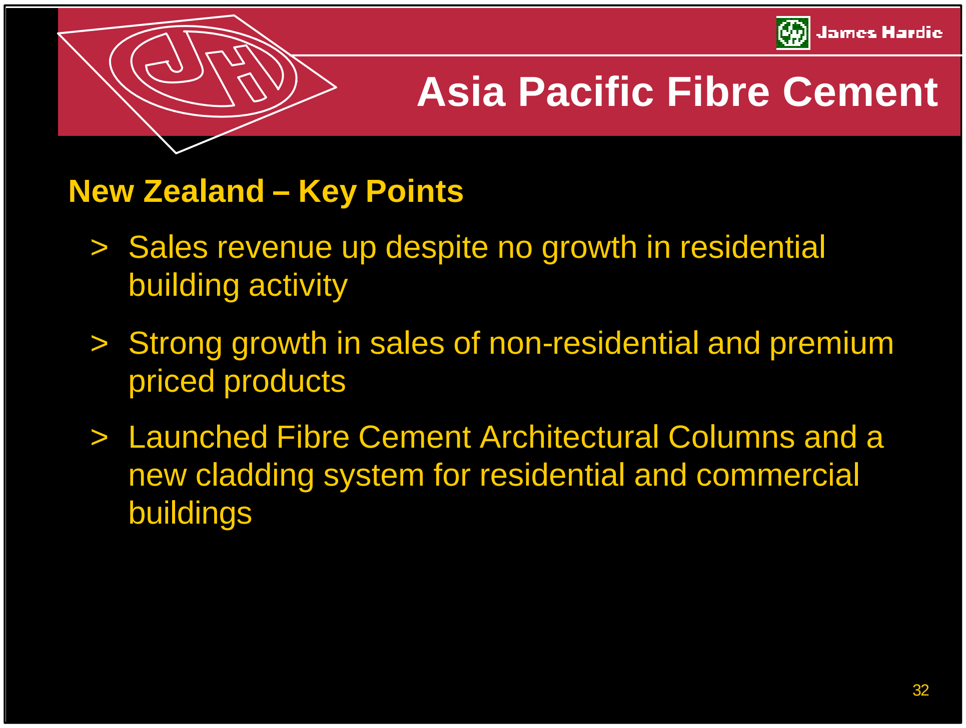
- The strategy for this business is really one of implementing an integrated strategy across the region, reducing cost, releasing new products and increasing efficiencies generally across the market place.
- New product releases will be important for us, and we believe our export sales will continue to grow strongly throughout the region.



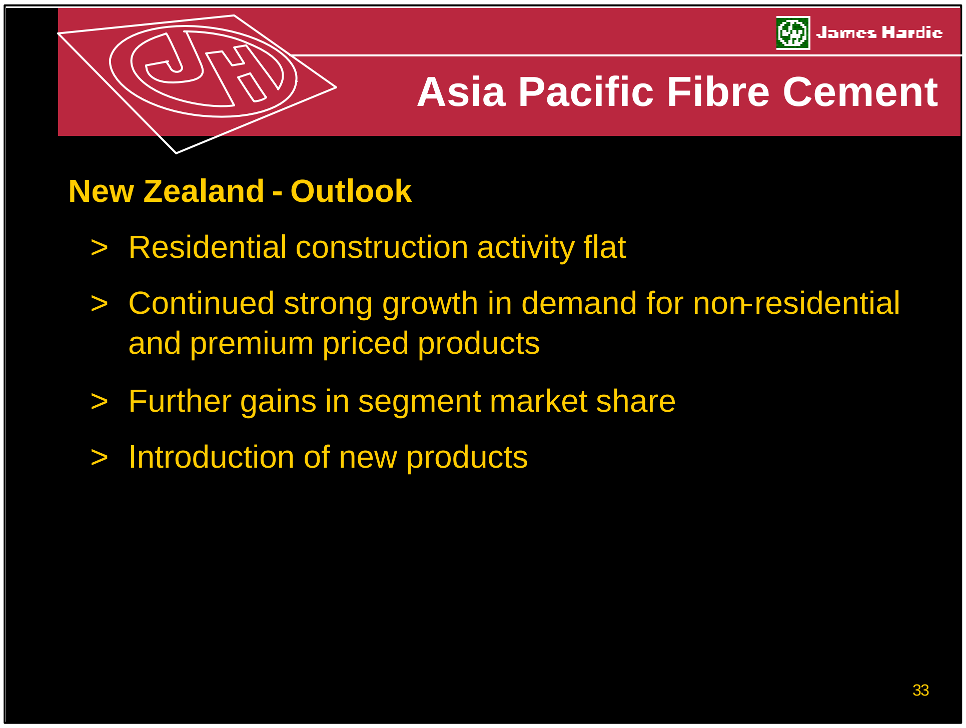
- As I said earlier, Q1 was particularly tough for Australia and, as reported in the papers this morning, the decline in housing was around the worst in 25 years.



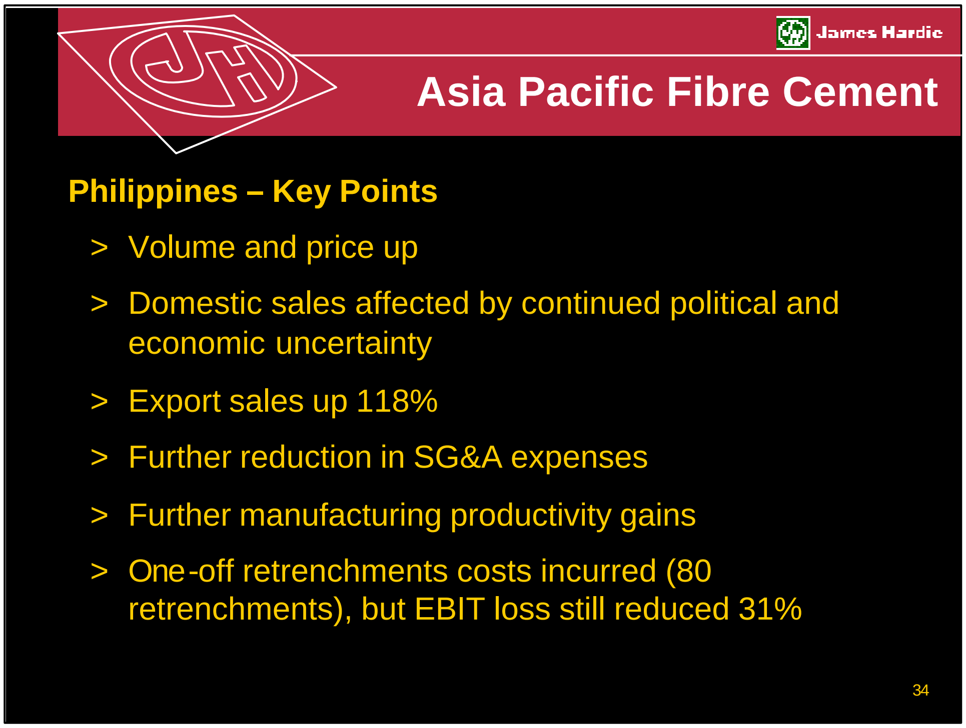
- But the outlook is more positive. We believe we have maintained our leading business in the Australian fibre cement market. We have significantly reduced our costs and we believe we are well placed to benefit from the housing recovery.
- We are looking for around 4% growth in the housing market this year followed by two to three years of solid growth. James Hardie is well placed to improve earnings well through that period.



- In New Zealand we had a good outcome in what proved to be a pretty quiet market.

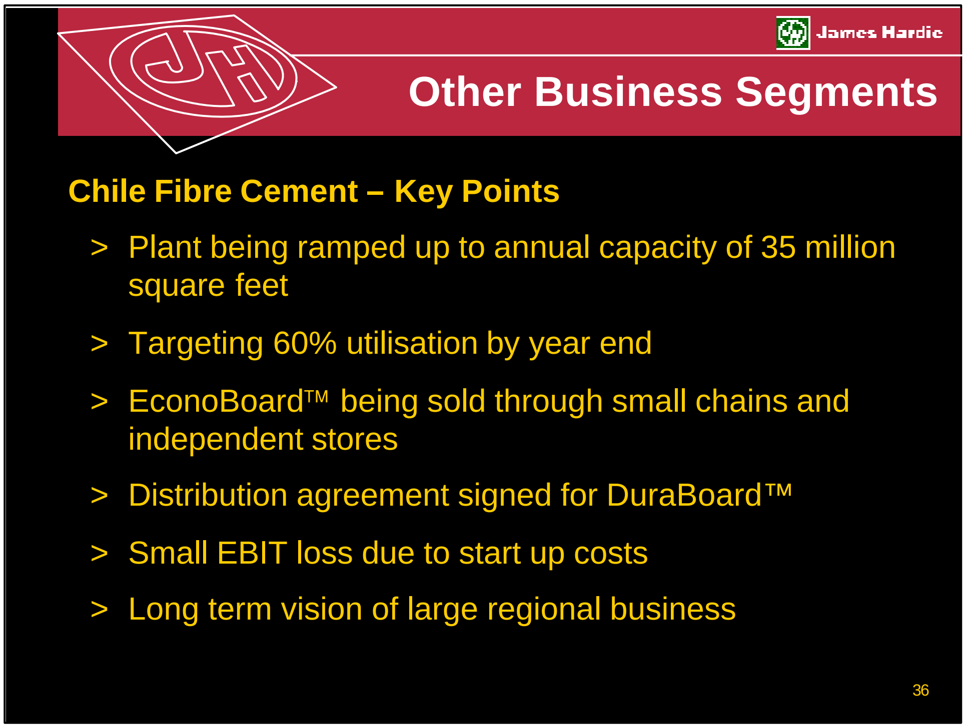


- We have launched new products and we do expect to do quite well over the balance of the year. The new products will continue to grow, so results should be quite positive.

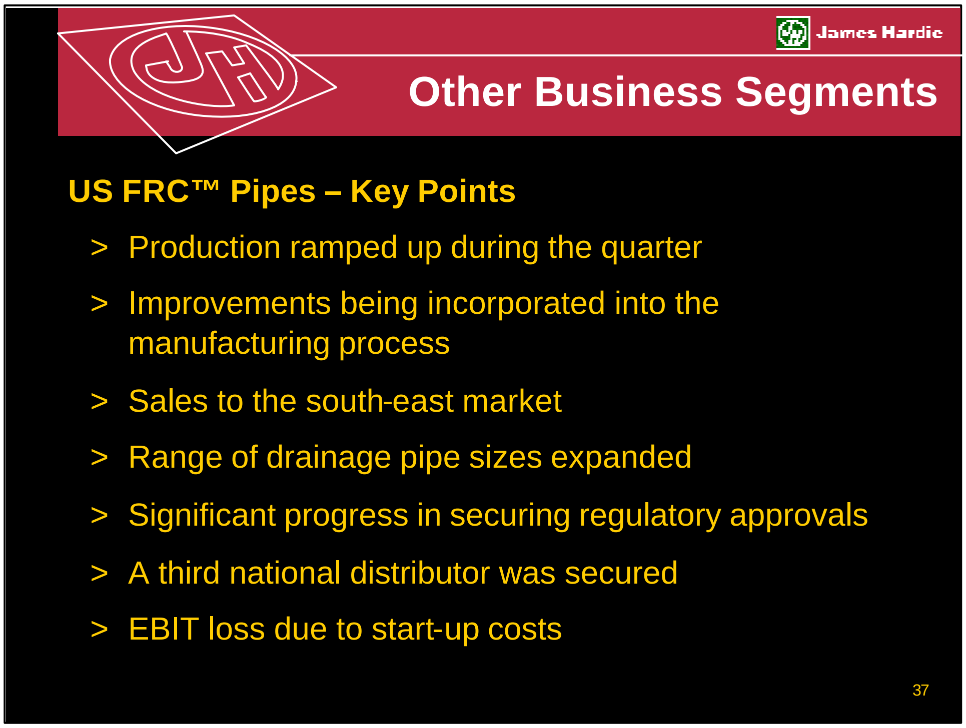


- In the Philippines the political and economic climate remains very challenging for us but the business showed improvement. On the internally controllable elements we improved quite strongly. Costs are down and we did take some one-off costs during the quarter.

- The outlook here is for the domestic market not to improve much at all. They will continue to be tough, but we are seeing strong export growth in the Philippines, and significant cost savings have been made with more to come.
- The government is now taking some action against domestic logging and that is helping to push the prices of plywood up, and that could help us increase our share and prices in domestic fibre cement.
- So overall, we do think the fibre cement business in the Philippines will continue to improve over the balance of the year.



- The new Chilean business is ramping up on target. We are quite pleased with it. I met with the key distributor last week and he is very confident about our future and our ability to take share from the existing players. We suffered a small EBIT loss during the quarter but this business is well positioned, and our long term vision is that we will have several of these sort of plants throughout the region.



- Our US Pipes business continues to do well. It is validating our base business case, although it is still very early in what is a multi year plan. We have now put 30 inch pipes into production and do see continued progress through the balance of the year. So the outlook is quite strong because civil construction markets will continue to be strong and our product range is continuing to expand, enabling us to target more jobs. We are getting a very strong competitive response. That was expected and we are having to fight for every order.

James Hardie

Other Business Segments

US FRC™ Pipes – Outlook

> Civil construction sector expected to remain strong

> Increased sales from expanded product range

> Strong competitive response as expected

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- Turning to our windows business. We made a small profit and the exit strategy continues. We will continue to benefit from the up-turn in housing. Again, this business has suffered as much as any in terms of losing volume over the last few quarters.

James Hardie

Other Business Segments

Windows – Key Points

> Small profit due to reduced SG&A expenses
> Lower volumes due to the downturn in the building industry and increased activity from pre-GST demand in same quarter last year
> Exit in progress

Windows - Outlook

> Increased new housing commencements
> Increased volumes and revenue, and continued positive EBIT

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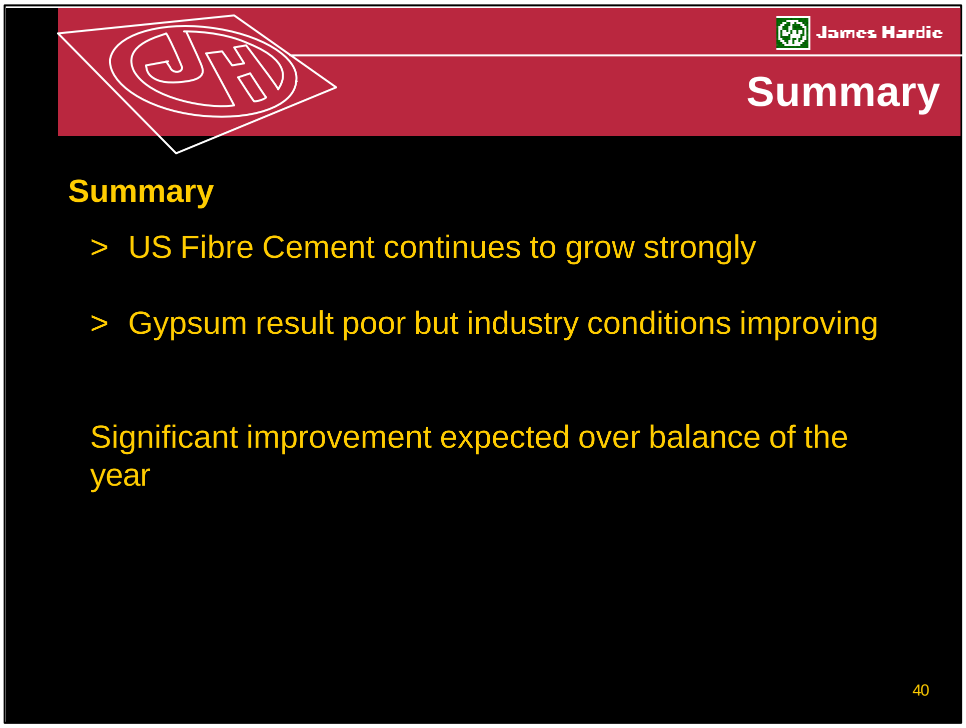
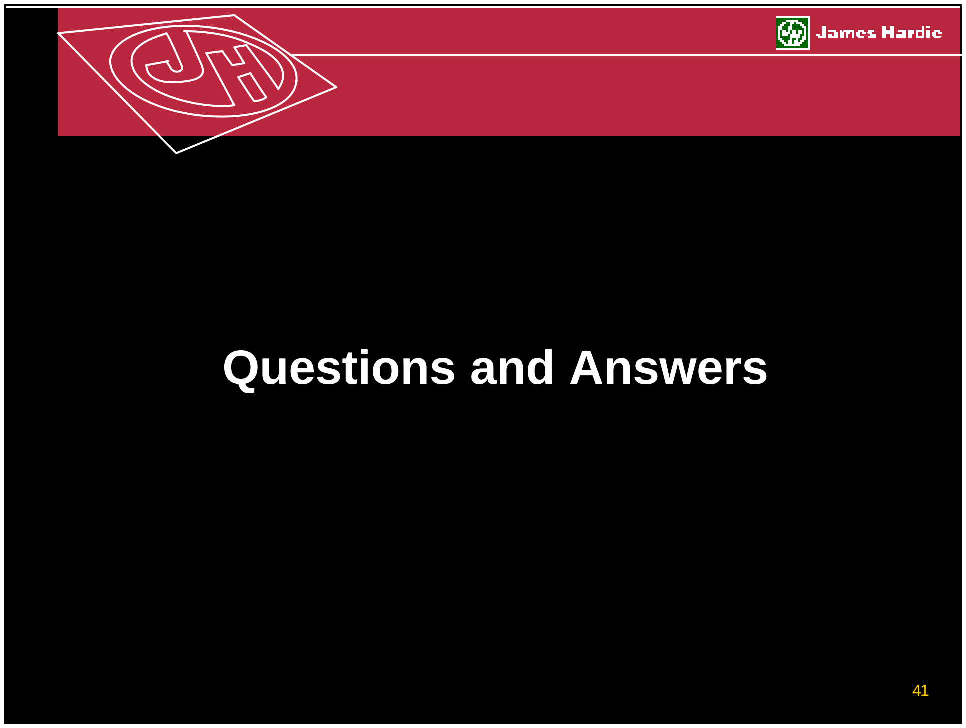
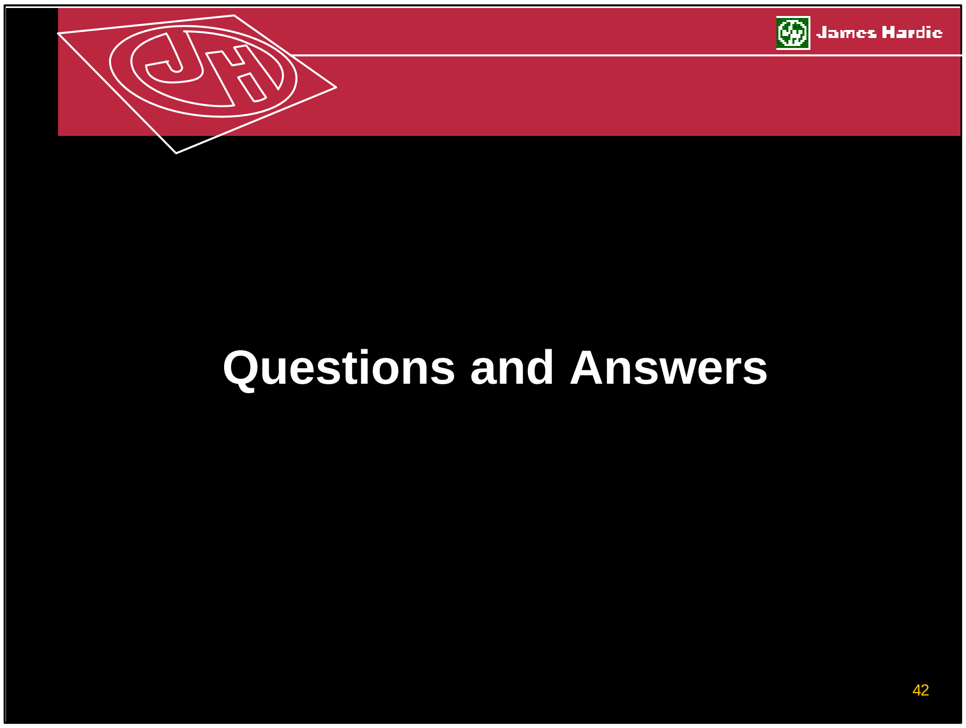


- So the summary for our business is that our US Fibre Cement business will continue to grow strongly. The gypsum result was poor but we do see conditions and results improving over the balance of the year. And overall for James Hardie we see significant improvement over the balance of this financial year.

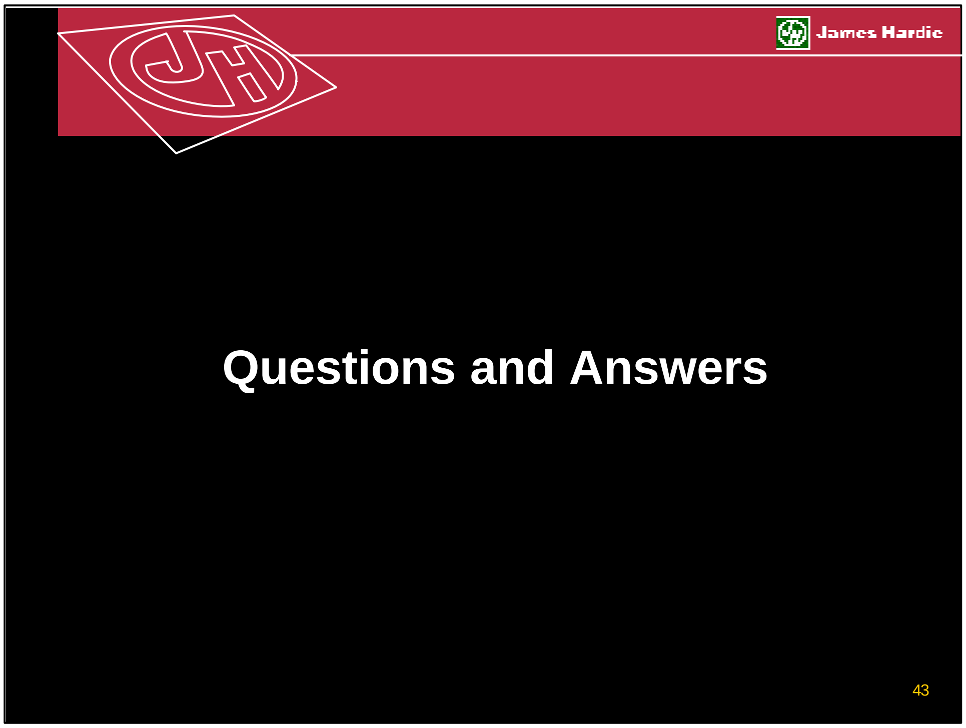


- I am happy to take questions. First of all we will take questions from the floor.
- *Just a question in relation to the losses posted for gypsum. I thought last time you presented you said you wouldn't be going below cash costs. The EBIT number shows that if it is a real proxy for cash costs that you were. So was it actually during the period that you decided you wouldn't go below cash cost, or is there something else I am missing?*
- No you are quite right. The situation is that we won't sell ex our plants below cash cost, and I think that is the rational and economic decision to make. I don't believe we consciously sold more than a hat full of product below cash cost ex plant. But corporate overheads run about $1.5m a month US dollars, so what you had was really the plants operating at around about cash cost, and then corporate overheads, which is basically a fixed cost, which won't be avoided whatever you do in the plants, ran on top of that. So that is the extent of the cash balancing position. I think we are consistent in that. I think I have explained previously that that is the position that we adopted.

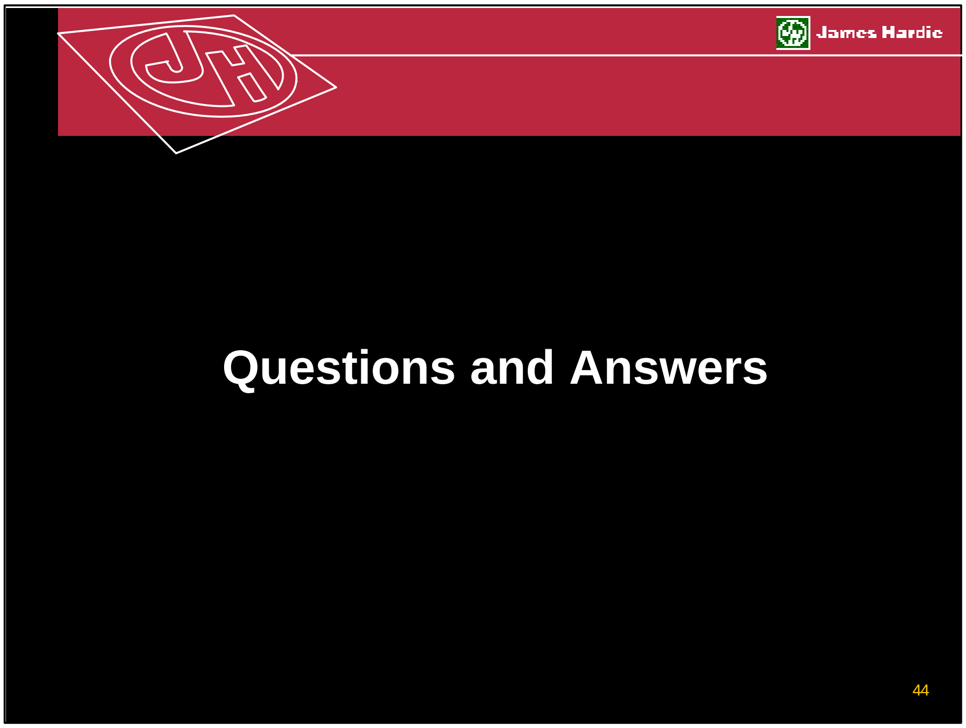


- *Peter I just wonder whether you can elaborate on the competitive response that you are seeing from the US pipe producers? Can you just perhaps clarify whether there has been a reduction in prices from the other producers and, if so, whether that reduction in pricing is consistent with your plan?*

- I think it would be premature to say that there has been a general reduction in price across the steel reinforced concrete pipe industry. What we are seeing is that as we win an order there is very intense competition to try and win it back. Exactly what we expected, just tough fighting to retain orders and this was expected. We are quite happy with the rate of progress that we are showing. I don't think there has been any industry wide response that you could say was going to drop prices across the sector.

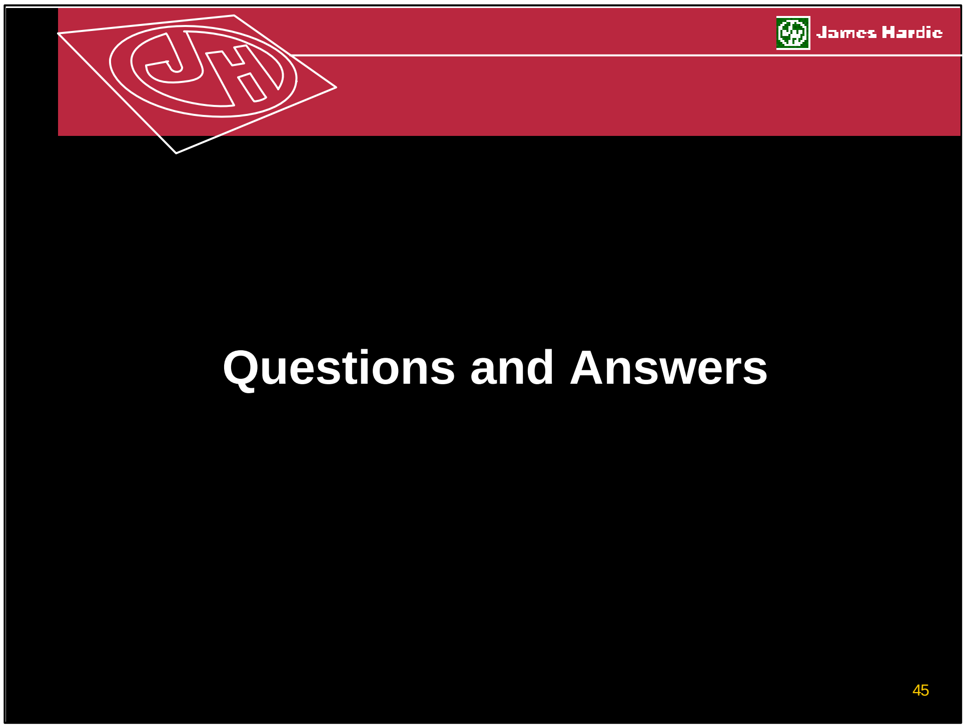


- *Hi Peter, could you just comment as to why there wasn't a much bigger increase in margins. We saw volume growth of 11% in US Fibre Cement on the previous corresponding quarter and prices went up 6.5%, yet margins only went up 1%?*
- Well we have launched a range of differentiated products and they carry with them higher selling prices and typically higher margins once they are ramped up. We are actually quite happy with the result. As you know, we don't pitch the pricing to maximise short-term profits, but rather drive the penetration as fast as we can. And we exceeded our 20% EBIT to sales target during this particular quarter. So I can't give you a precise answer other than going through the individual product groups that we had there. But overall we were not unhappy with that result. We would have liked to have seen volume grow more strongly and I don't think we did anything with our pricing that suppressed that. I do think that the repair and remodel segment was slower than it otherwise might have been, so some of our backer growth which was still quite strong, could have been stronger if that had been maintained.

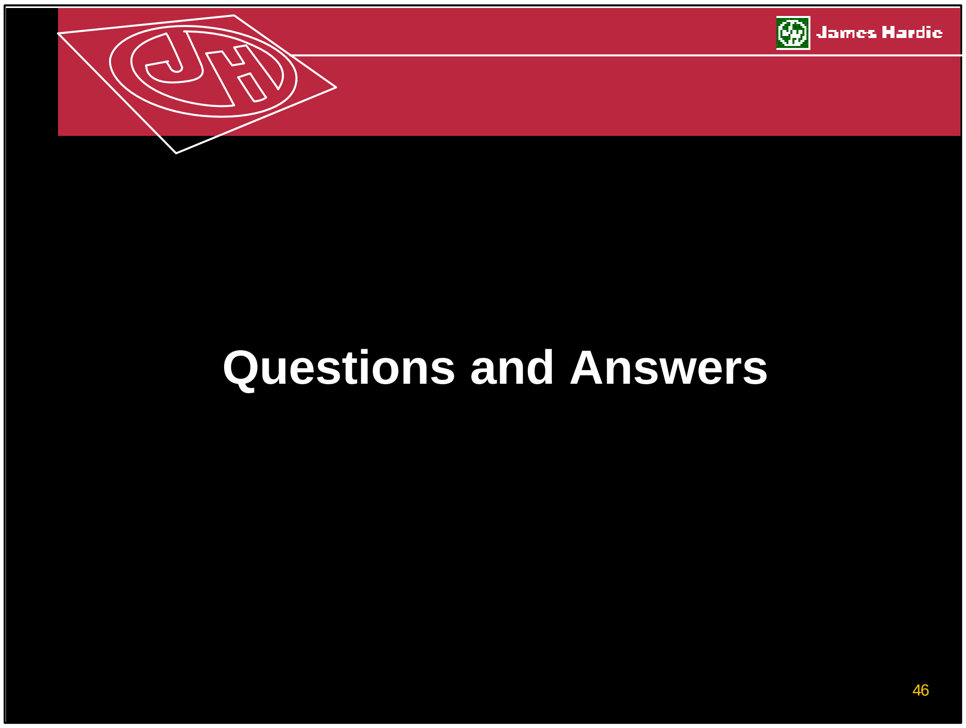


- *Just on corporate expenses going forward, you did mention there was about a $3m impact on the shadow shares. It did seem to tick up fairly strongly relative to the previous corresponding period. Obviously the asbestos costs are no longer in there though. Can you give an indication of what a normal quarter would be like as such for corporate costs?*

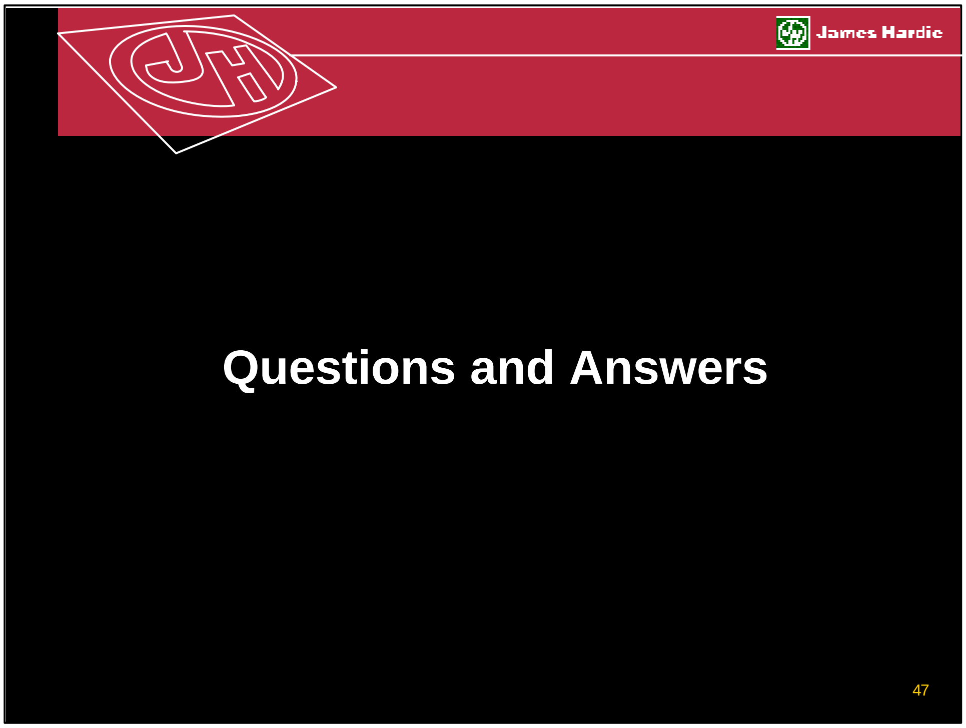
- Right, well in this quarter there was $3.1m for the share price appreciation plan that employees had, as well as $1.8m for the restructuring work that we announced in July. So we do see us trending pretty closely towards that $8m target as the underlying quarterly cost of the corporate office. And I guess while we are still completing the restructuring there may be other costs there in this quarter coming



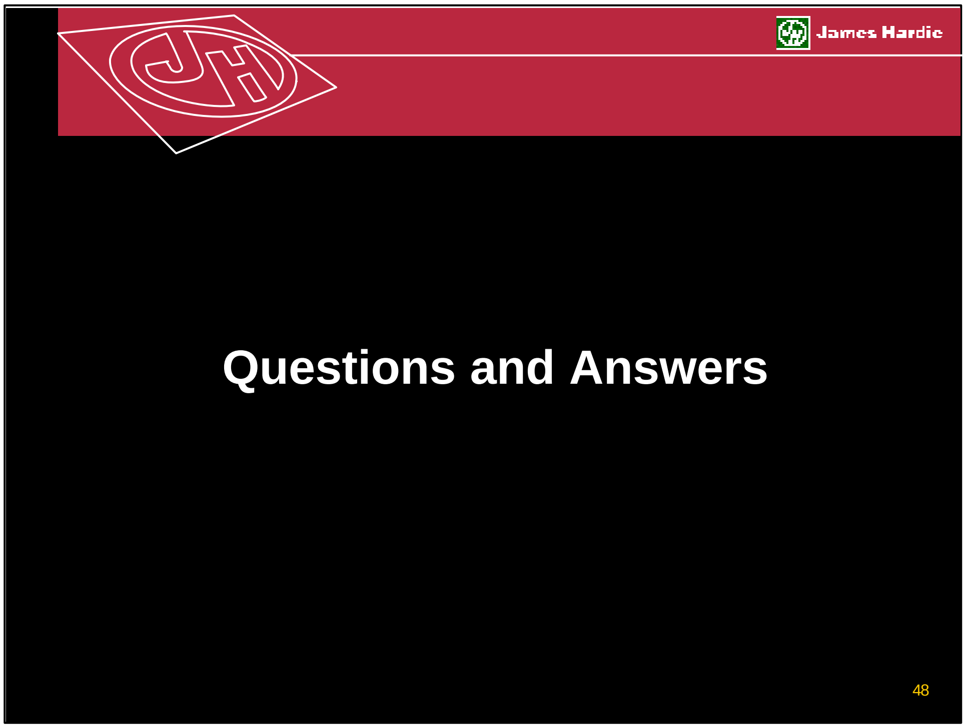
- *Can I just ask an adjunct to my previous question which was, in the absence then of gypsum, and that allocation of the corporate cost, or overhead, will that then get allocated back corporately or would it go with the disposal of gypsum somehow?*
- Are you talking about the shadow stock?
- *No sorry, my question was on the cash costs, regarding the cash costs … allocated overhead.*
- No it is not allocated Mark. It is the direct overhead of the corporate costs in our gypsum business unit.
- *……. would disappear with the business.*
- They would disappear with the business. Those costs are completely disaggregated within the business.



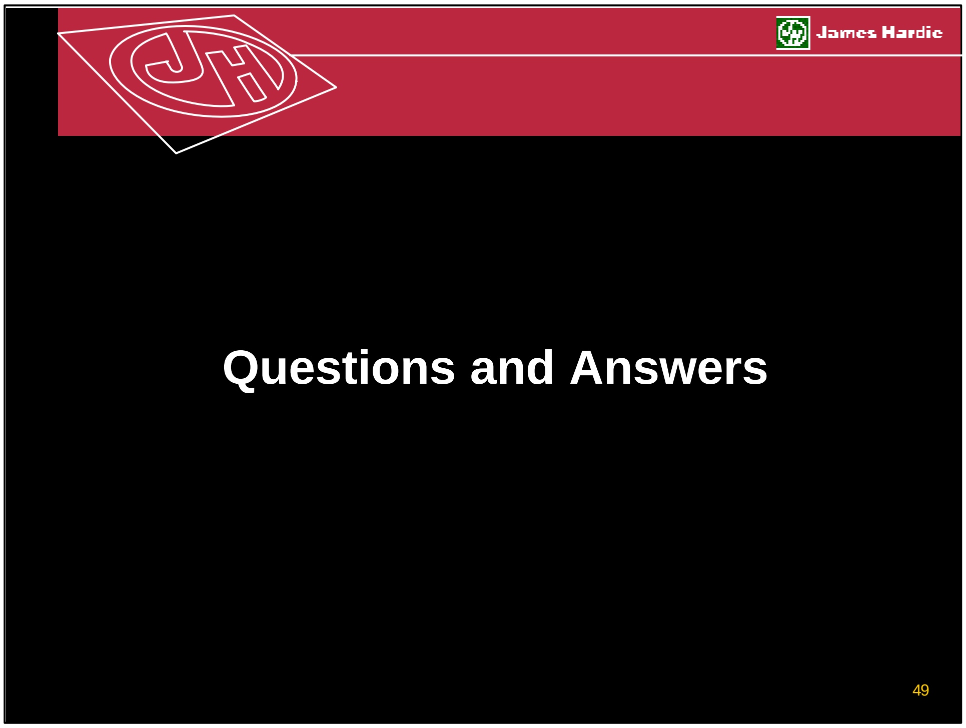
- *Good afternoon Peter. Just two quick questions. First of all geographically, could you just reiterate where your growth priorities lie. And the second aspect is gearing levels assuming a sale of gypsum. What sort of gearing level would you then be comfortable with? And the interest cover associated with that gearing? Thank you.*
- To the first question, the growth in North America in particular. We are targeting very heavily the ice belt growth, but remain committed to, and see still, very strong growth in our existing markets as well. So it is not possible to say that future growth will come exclusively or predominantly from any of those for now, because our existing markets continue to grow very strongly and our new trim products will in fact impact across the whole market. However, in terms of the global portfolio, North America does remain very much our primary growth focus. If you add the pipe business on top of the existing residential construction products, then that will be where almost all the growth occurs for the next year or two.



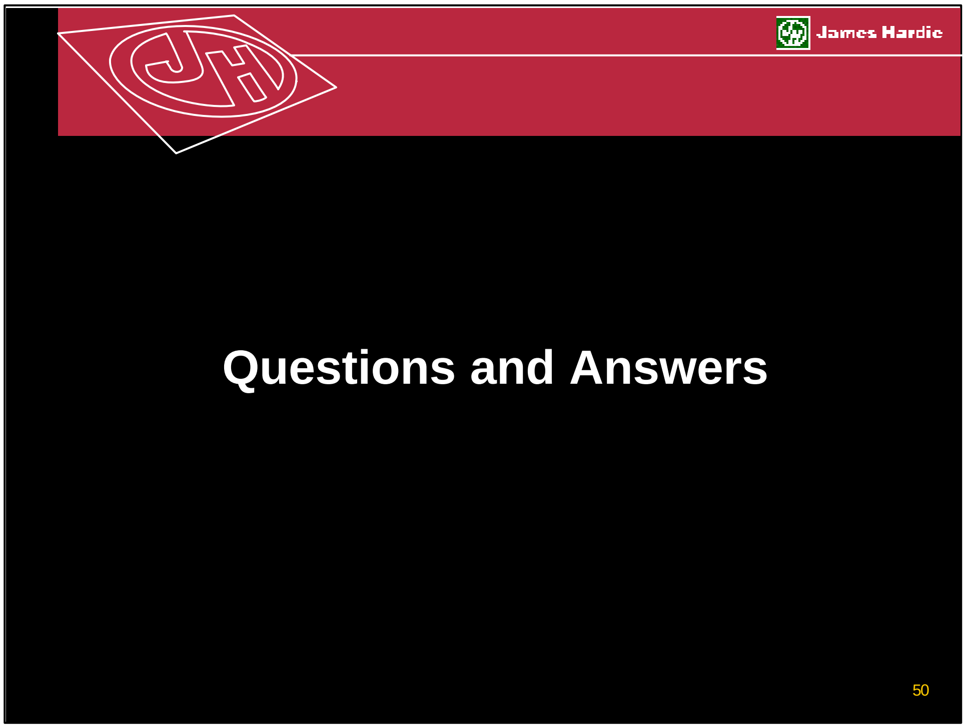
- In terms of target gearing and capital management we made the placement, as disclosed at the time, to ensure that we weren't forced to curtail in any way the strong growth prospects for our fibre cement business. And we committed also that we would be active capital managers. Following a sale of gypsum we would expect that there would be a re-look at the correct, or the ideal gearing levels for the company. They may be somewhat lower than they were with the blend of a cash flow business such as gypsum and a high growth fibre cement business. But if there is surplus capital at that time, then we would look for ways to return it cost effectively or tax effectively to shareholders.



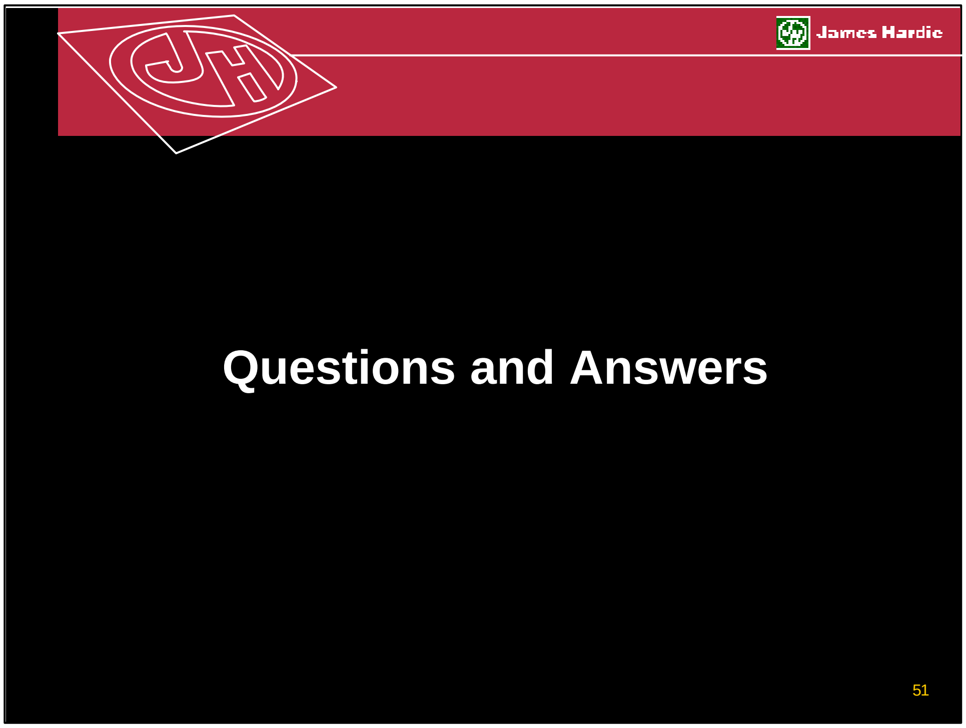
- *Sorry to be so tedious. The Las Vegas mine, the proceeds from that. When would you expect to get those and why wasn't that booked in the quarter? Or it doesn't look like it was.*
- No it wasn't, we haven't booked any profit for it Mark. We have signed a sale agreement and that has to work through permitting and other forms of approvals before it becomes a final agreement. That could be a period of 18 months to two years, I believe it will not be booked until we actually receive the money.
- *So the sale is contingent on getting those approvals?*
- It was indeed and I think we announced that quite clearly at the time. It is a sale which has conditions attached to getting land use, development approvals, and regulatory approvals.
- *Thank you.*
- *I just wanted to clarify one of the comments on the gypsum business "James Hardie close to break even in July". Is that at the EBIT level?*
- EBIT.
- *Thanks.*



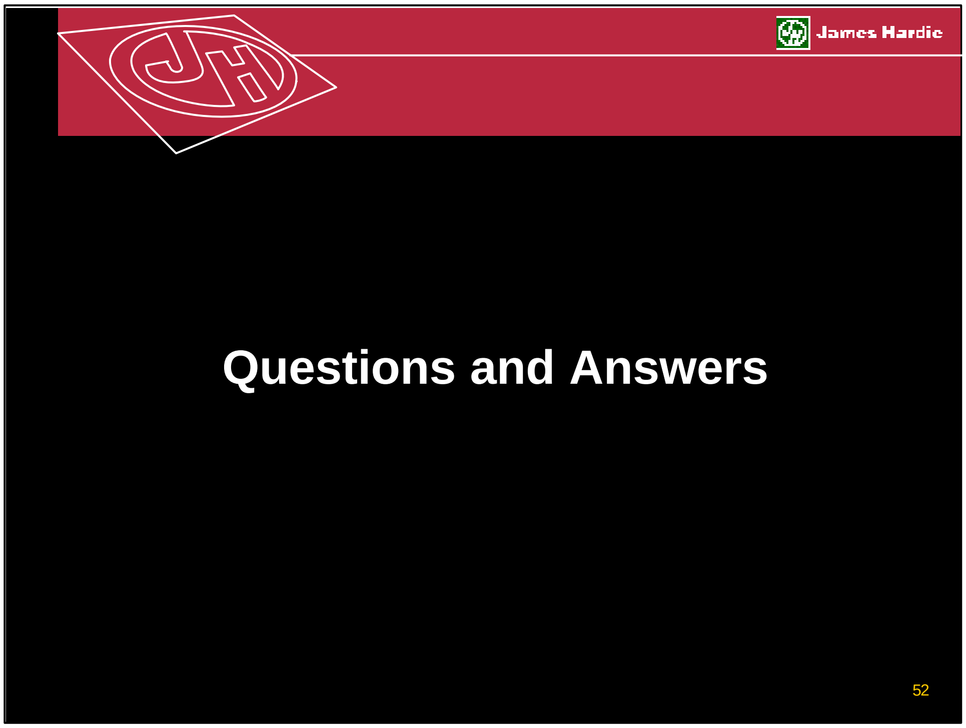
- Okay if there are no more questions from the floor I will take questions from teleconference.
- *[Ms Murray] Yes. Hello.*
- Question from teleconference?
- *Yes. I am from the Daily Telegraph. Is James Hardie getting out of the gypsum market altogether?*
- We have a sale process underway for our gypsum business and upon completing that sale James Hardie will have exited the gypsum industry.
- *That is in America and in Australia as well?*
- Well we only participate in the gypsum industry in North America. We don't participate elsewhere.
- *Thank you.*



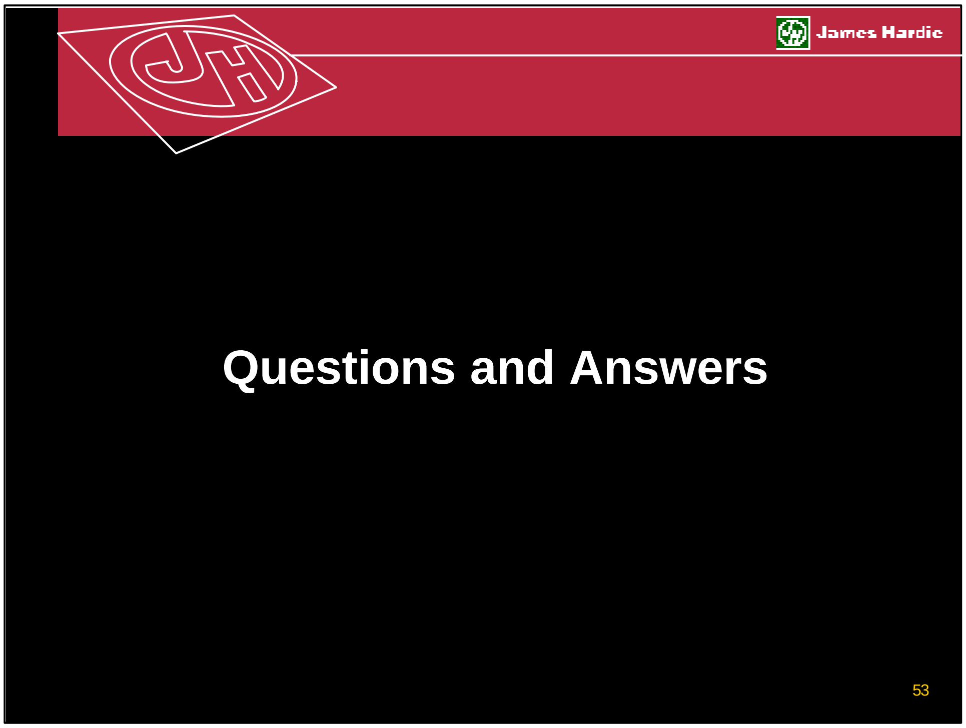
- Any other questions on teleconference?
- *[Mr Evans] Peter, Peter*.
- Yes.
- *Just on the working capital, it looks like you have had quite a large increase in the quarter, was there anything particular behind that?*
- There were various effects including the timing of reasonably significant cash flows from customers, and from tax. Our cash flow position did improve quite strongly post the quarter end.



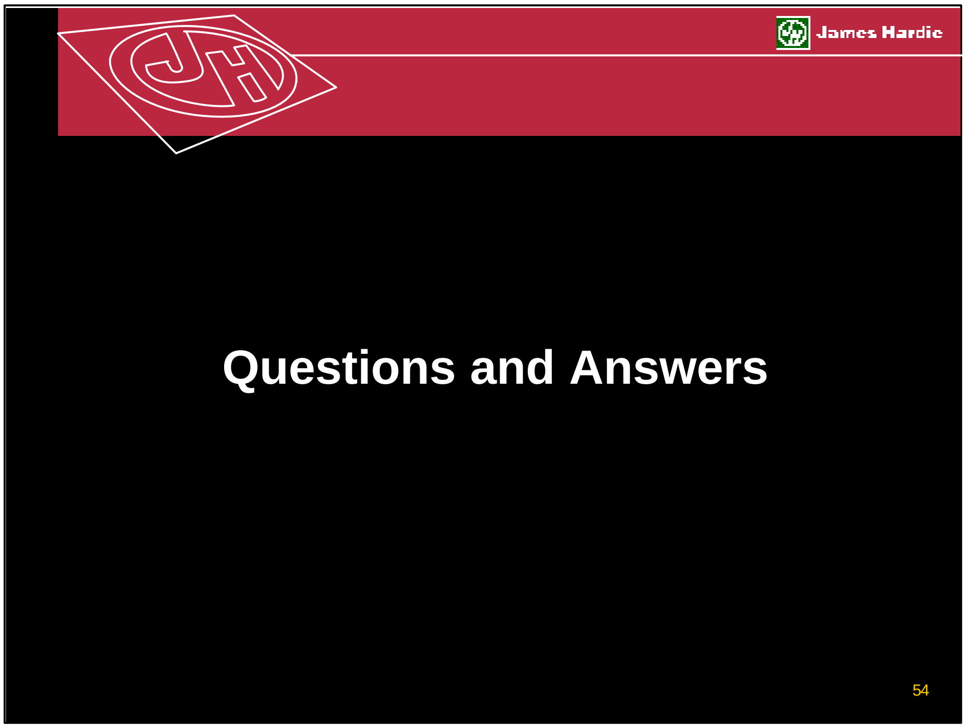
- *You also mention in the commentary that you got hit by weather problems in the US, would this mainly have been in Texas?*
- Well I think the south-east had quite adverse weather and I think across the sun belt and up into the north-east. Owen, there was a slower start to the summer construction period than people had anticipated. I think most manufacturers commented on it. We don't think it had a dramatic effect on us but it clearly wasn't a positive.
- *When you say not dramatic, … … ?*
- Oh I wouldn't …
- *Wouldn't want to put a figure on it?*
- I don't think we could really demonstrate a number as accurate as that.
- *Okay thank you.*



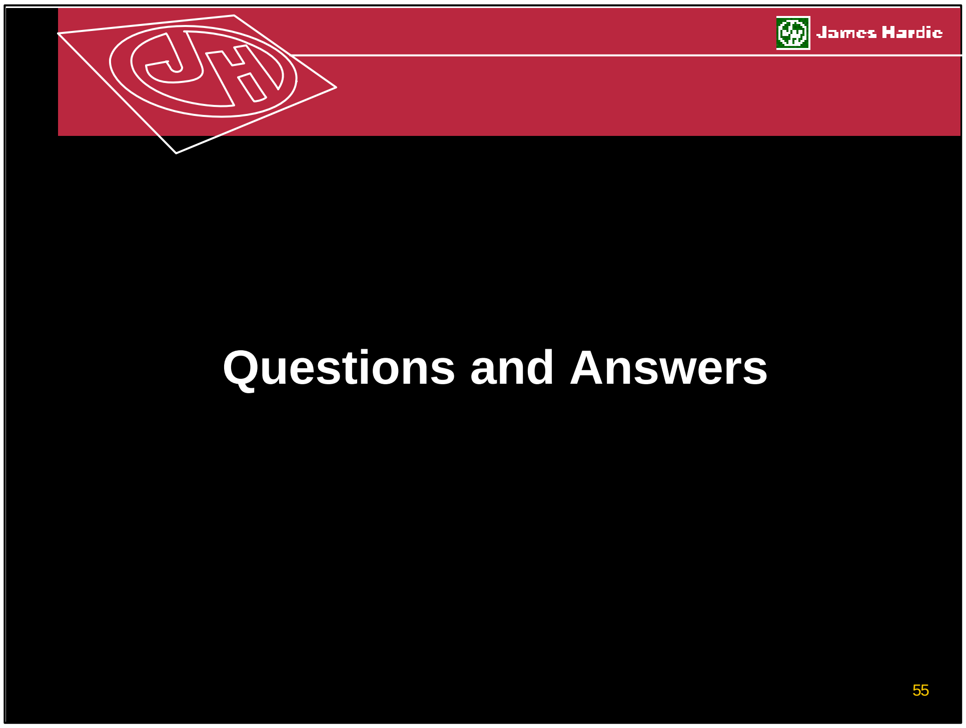
- Any more questions on teleconference?
- *[Mr McNee] Peter, just couple of questions, firstly just going forward for the remainder of the year what would you see the tax rate as being and when do you expect the new structure to be put in place in terms of that? And also just a second question, just with the capital raising that you did recently, I must admit I am a little bit surprised that you would say, if post the sale of gypsum, you would look to maybe return some of that capital to the shareholders. Clearly I would have thought the expectation of the share price going up you wouldn't want to be buying your shares back at a higher price than when you placed them. So are you able to give us a bit more behind that capital raising? Is there anything specific that you are looking at or is it more just in* reflection or a reaction to the cash flow situation in the quarter?
- To the first question on tax. We have one more quarter to run with the existing tax structure and then assuming that the restructuring is approved, and is in place around the end of September, the balance of the year should run through at around the target tax rate of 25-30%. We should have another quarter with the same fixed benefit in our tax structures as we had this quarter just gone.



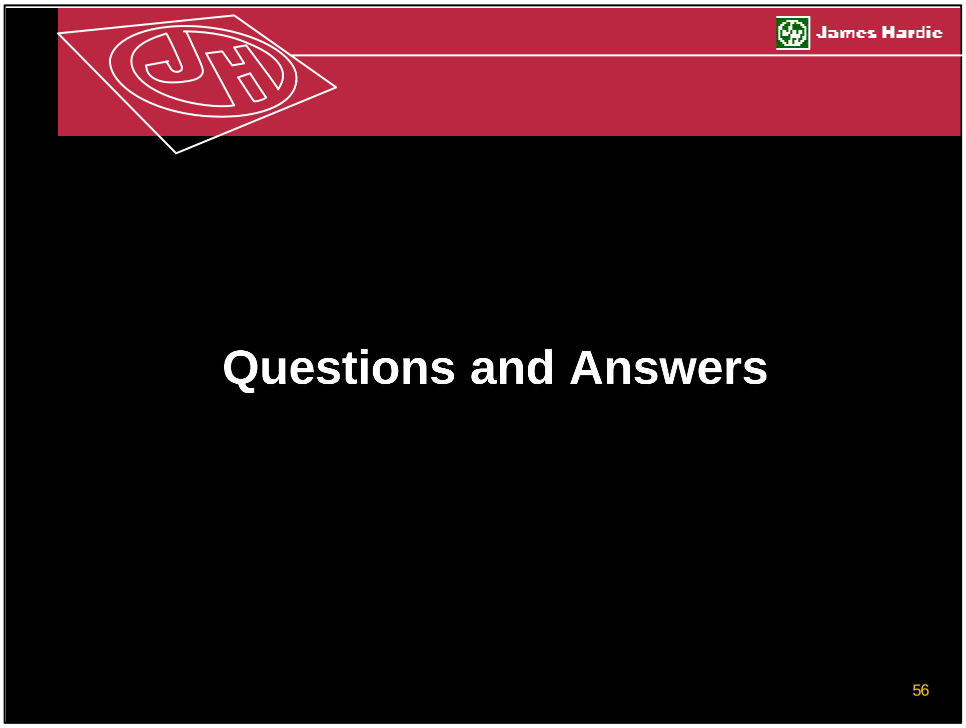
- In terms of capital management there are a range of ways that companies can actively manage capital and we look for the best way to manage our capital base to make sure we don't have a lazy balance sheet and to return surplus capital to shareholders in whatever way is most effective. However, I certainly couldn't flag what that might be today. But I believe the new structure would enable effective returns, if they were necessary. The decision to do the raising was taken not as a response to an adverse quarter, but more in response of wanting to be confident of being able to support a very high growth fibre cement business. We didn't want to be forced by any particular sale process in gypsum to do anything that might be adverse for the fibre cement business. So it is really an insurance policy to make sure that fibre cement growth can move ahead very strongly. I can't comment any more specifically than that at this time.



- *Sorry Peter, just following on from that, if you had sold gypsum prior to today, would you have done the capital raising?*
- I guess Matthew it would depend on the terms of the sale. Obviously, it is quite possible if we had received the proceeds of the gypsum business that we wouldn't have needed to make the raising.
- *So that gives us I suppose some sense of the uncertainty on the timing of the gypsum sale?*
- We continue to say that we are confident that, at the appropriate time, we will be able to make an exit from the gypsum industry in a way that creates value for all shareholders. But we are not at the stage where we can put a definite timetable on that, and I think to do so would be to weaken the company in its efforts to make sure it gets the best price for the business. So that's where we sit.
- *Thanks.*



- Any more questions?
- *[Mr Gavin McGowan] Hi Peter. I have got two questions with respect to the fibre cement business. What kind of segment growth did you see from markets during the quarter? And the second question is with respect to pricing, what percentage of a 7% increase in price was due to new products and what was your standard wallboard products? And kind of secondly related to that is what response to you expect to see from the vinyl producers with their volumes down 10-15% with respect to pricing?*
- Okay.

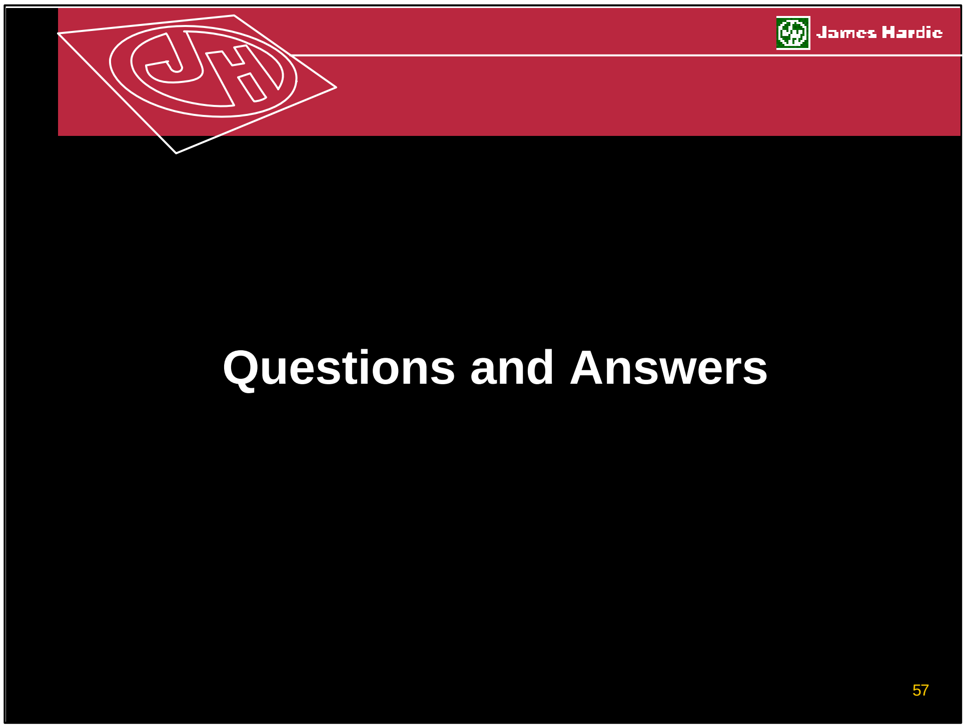


Q: There is kind of three questions there.

Yes I am just making sure I have got them all. Right. Okay. So in terms of segment growth we don't publish those, we believe they are competitively sensitive but we do publish the overall growth for our business. Suffice to say that we are growing in the ice belt and we are growing in our existing markets as well. And I think at our presentation day at Rosehill in early July or late June we took people through the dynamics that were at work there in terms of converting city by city and having to put in place infrastructure and installation capabilities to enable us to grow. So the ice belt will be very steady long term growth for us. It is not going to be dramatic, you are not going to be shocked by those numbers in the next couple of quarters.

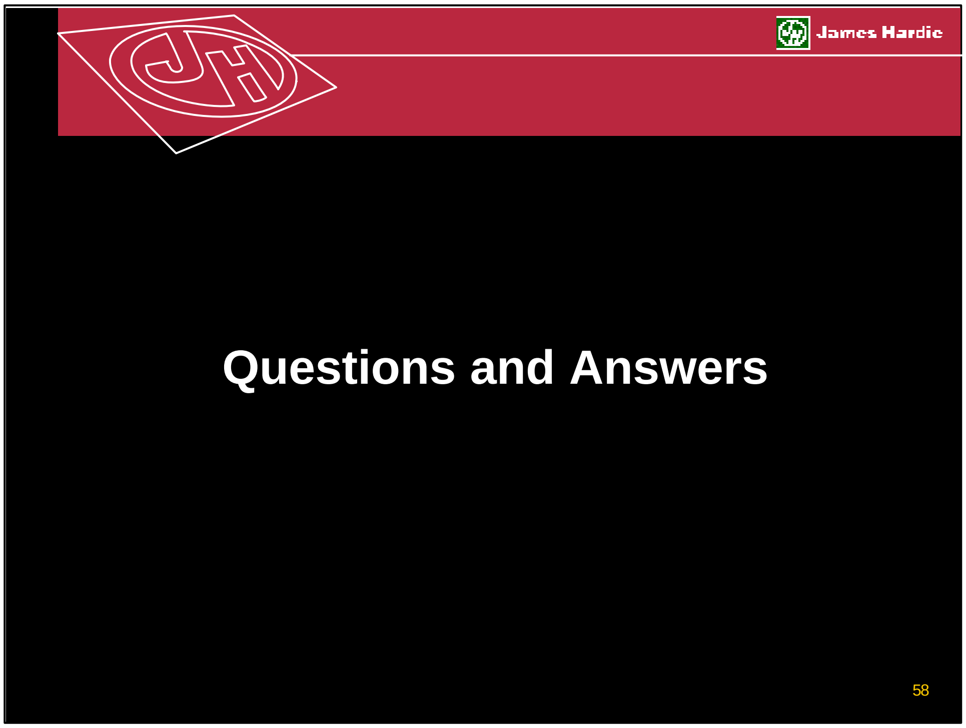
In terms of the price increase, I don't have the figures for the mix between new and existing business. I would expect that it was predominantly from new products. We did increase prices of some of our base fibre cement products, but there were also underlying declines in those products as Cemplank and Certainteed struggled to get out of heavy losses themselves. So it is a bit of a mix but I would say the significant majority of it came from our new products. They are priced far above our existing products.

Q: Thank you.



- In terms of the last question, vinyl response. Vinyl has been an industry which, has had chronic over capacity for the better part of five or six years. It has been fighting very hard, inter-vinyl fighting if you like with existing players. There is consolidation occurring. Vinyl margins are quite low. I don't see vinyl having much else to do than continue on down its path. Prices will shift as its raw material prices, which are a very high component of its selling price shift. But we don't see that there is any sort of direct action that vinyl can take to compete with fibre cement. Typically, the response to date has been to make vinyl more expensive and to endeavour to increase its aesthetic attributes so as to better compete with fibre cement. And when it does that at the very high levels of sophistication it is really a product with no real price difference to fibre cement.

- *Thank You*



- Any more questions ?
- *[Next question from Ms Kate Murray] In the Australian market do you anticipate falling profits when the first time owners grant is withdrawn in December?*
- Well at this stage, and looking at the forecast that was just published today for the Australian housing market, I think we see quite strong growth in housing over the next two to three years. We are seeing quite significantly improved profitability for our Australian business moving off quarter 1 for the balance of the year and hopefully into the next couple of years.
- *Thank you.*